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The Nation's Business

Where Are Canada's Planes?

Why has Canada not gone "all out" in airplane production?

At a time when every competent authority is calling for planes, planes, planes, why is Canada's industry still being used at far below its possibilities?

That the industry is on a hand-to-mouth basis compared to what it should be is amply shown in a news story elsewhere in this issue. This article reveals that this vital war industry is still hedged with duplicating restrictions, handicapped by lack of definite leadership from Ottawa.

As yet there has been no national survey to reveal the full potential capacity of this country to produce military planes. There is little if any co-ordination in the matter of trained labor or the securing of necessary parts from the United States.

By luck, and through the enthusiasm and energy of a few companies we have produced a sufficient supply of training planes to meet requirements. But we will need much more than this to build the heavier fighting craft that must follow the trainers. The trainers can be produced in 5,000 to 10,000 man hours; the heavier machines, the ones that are actually used against the enemy, require 50,000 to 125,000 man hours.

To get these big planes quickly and in war-deciding volume we need a Beaverbrook of our own. We need a leader big enough to slash through present crippling red tape, a man with broad vision and the ability and power to make quick, right decisions.

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Mr. Gardiner and War Industry

Hon. James Gardiner has come out second best in his clash with Canada's war industries.

As Minister of National War Service Mr. Gardiner made slighting and ill-founded remarks about the competence of industrial managers who found it necessary to ask exemption for workers called up under the 30-day draft.

It now appears there was only one "manager" who objected to having his men taken away for 30 days of broomstick training. The manager was in charge of an aircraft plant—a plant producing the most essential of all war materials—airplanes.

And how important are planes?

Mr. Gardiner should ask Churchill, Lothian, Bevin, Citrine, Beaverbrook, Purvis, Howe, Power, and a score or more of the men who are really directing the battle against the beast.

Within recent months every one of these men—and many more—have put themselves on record as to the vital importance of planes. Lord Lothian cited planes as the most vital of three elements urgently needed to defeat the Nazi threat. Sir Walter Citrine said this week at New Orleans: "We need planes, planes and more planes.

Yet Mr. Gardiner tries to hold up to public ridicule a man who persisted in believing that the greatest war service he could perform was the holding of his staff together to make planes.

Whatever his qualifications as Minister of Agriculture Mr. Gardiner has shown his complete incapacity to grasp and administer the problems of the Department of National War Services. Instead of organizing national war service he secks to pick quarrels with those who are giving national war service.

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"... We Must Do Very Much More"

Speaking about the disappointing results of the war saving campaign, Mr. Ilsley told Parliament last week:

"A good start has been made but we must do very much more."

Applied to war savings this comment is a kindly understatement. In six months of effort only $22.5 millions of certificates have been sold. The rate of sales even now is running little better than $2.5 millions a month.

As Mr. Ilsley pointed out, this is "far short" of the amount that must be sold. The new objective is $10 millions monthly.

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With due respect to the new or-

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U. S. Boosts War Output Above 1917

Production for Combat Purposes Now Exceeds Volume After Entry into Last War

H. L. Southall is managing editor of the trade newspapers division of The MacLean Publishing Company. He is in the U. S. capital making a survey of the economic and war fronts in the United States for these sister publications of The Financial Post. In this article he gives a quick conspectus of major American developments of vital interest to Canada.

By H. L. SOUTHALL

Special to The Financial Post

WASHINGTON. — Among key officials of the Administration, optimism as to a British victory has completely replaced the pessimism so marked here five months ago. This optimism recognizes not only the stand that Britain is making but the rapid gearing up of American war production to aid Britain.

Already the United States is supplying more war materials for combat use than it was supplying six months after it entered the Great War in 1917. There is a strong urge to make full use of all available surplus capacity, which in steel ingots alone exceeds either German or British production.

But one of the problems is that business is reluctant to take on new capital commitments. It has not too much faith in any promises of the New Dealers, who are still in the saddle in Washington.

The index of industrial production has reached the highest point in a decade. Competent observers here feel it can climb another ten points without subjecting the industrial system to too great a strain. But already steps are being taken to make sure the machine of production keeps going, even when output begins to strain capacity.

Stress on Priorities

Hence a great deal of attention is being paid to priorities. It will interest Hon. James G. Gardiner to know that Washington has established the principle that procurement of war materials must take prece-

(Continued on page 2, col. 3)

Russell Indust. Position Good

Operating Subsidiaries Report Substantial Business Volume This Year

Operating subsidiaries of Russell Industries Ltd. have continued to obtain a volume of business that compares favorably with the corresponding period of last year, The Financial Post learns.

Earnings position of these subsidiaries, Canada Cycle & Motor Co. and Canadian Acme Screw & Gear, during the four years used as base periods for the excess profits tax was quite good, indicating that a substantial portion of this year's profits could be retained by the company.

Plants of subsidiaries are well occupied at present and volume of orders on hand indicates that this condition will continue well into the coming year. Products manufactured indicate that, directly and indirectly, the company is being called upon to play an important part in the war effort.

Extra For C. C. M.

Canada Cycle & Motor has just declared an extra of 20 cents a share on its common, payable, along with the regular quarterly dividend of 30 cents a share, on Jan. 2, 1941, to shareholders of record Dec. 10. This brings distributions on this stock for 1940 to $1.40 a share.

Last year Russell Industries reported net profits of $154,466, equivalent to $1.10 a share on the new common, after allowing for the 10-for-1 stock split early this year. Dividends on the new common are being paid at the rate of 80 cents a share.

Canadian Acme Screw & Gear produces chiefly for the automobile industry. This subsidiary earned $120,423 last year but paid no dividends as it continued to strengthen working capital and add to its plant and equipment.

Canada Cycle has found domestic demand more than making up for reduced exports this year. This company has obtained substantial war contracts, including one of $500,000 for tripod mountings for Bren machine guns.

Make Sure You See —

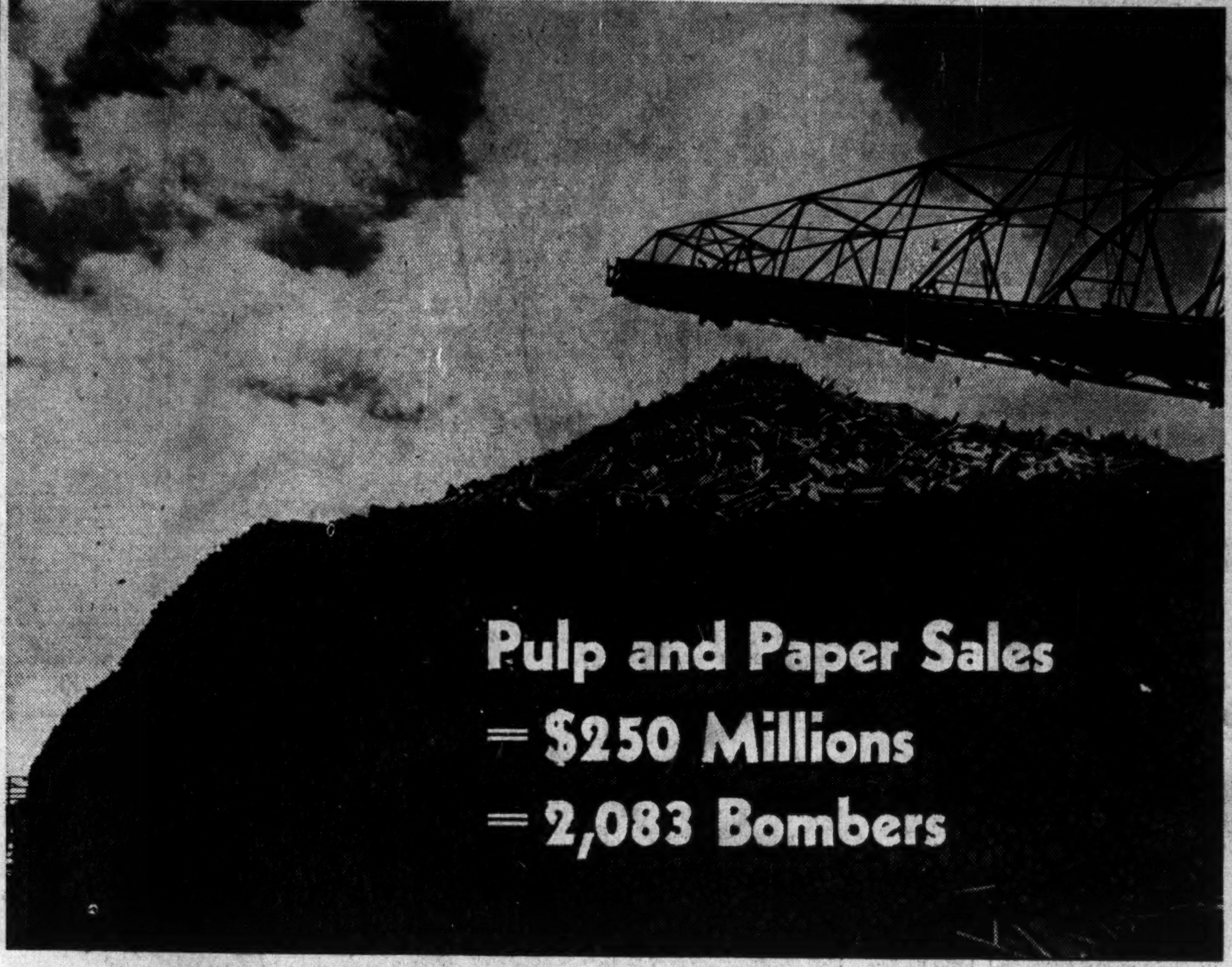
New Ideas Emerge On Wartime Investing
How Experts Would Invest—p. 11.

Push Put In New War Savings Drive
Blitzkrieg Drive to Spur—p. 10.

Reasons Why France Will Help Us
Why France is Still—p. 11.

Excess Profits Tax Boomerangs
Golden Goose Egg May Shrink—p. 8.

Canada Seeks South American Marts
Southern Trade Mission—p. 13.



The cost of five big warships or equipping an army of close to 1.7 million men will be matched by the 1940 gross sales of Canadian pulp and paper products. Coming largely from the United States, revenue from this source is an important war asset. It will be enough to buy 355,000 Bren guns, 25 million shells or five billion cartridges.

Margaret Bourke-White photo; courtesy Canadian International Paper Co.

Red Tape Strangling Plane Production

See Crisis Coming in Output of Fighting Machines — Output Hampered by Duplicating Restrictions and Lack of Co-ordination

From Our Own Correspondent

OTTAWA.—Notwithstanding official optimistic statements regarding Canadian airplane production, The Financial Post, in an investigation, has found considerable concern among leaders of the industry. They report that conditions have improved from six months ago, but not all of them by any means, are convinced that the present situation is satisfactory.

Deliveries of single engine training planes for the Air Training Plan will be completed about 15 months ahead of schedule, Mr. Howe, Minister of Munitions and Supply stated this week, adding that production originally expected to take 25 months will have been completed in 10, that 575 of the 808 training machines ordered from the Fleet and de Havilland companies have already been turned over to the air services.

With regard to the small, elementary training machine, Mr. Howe's statement appears quite satisfactory.

But none of these machines could be used for offensive or defensive war, nor for completely training military pilots, observers or gunners.

Too Much Red Tape

Executives engaged in producing war planes both for Britain and Canada complain of:

1—Too much red tape.
2—Too little co-ordination.
3—Lack of a definite policy.

They assert that Canada's potential capacity for turning out military planes is not being fully utilized and maintain that it cannot be fully utilized without complete reorganization.

Losses resulting from the present situation, it is stated, are not yet too apparent as Canada's main efforts are still concentrated in the training stage. The real crisis may come a few months from now when, it is asserted, there may develop a crippling shortage of larger craft to complete training and to equip fighting squadrons sent overseas.

Light training planes, they significantly point out, can be built in 5,000 man hours, big war deciding bombers from 60,000 to 125,000 man hours. The man hours factor is the real yardstick for measuring results.

The engine and instrument problem is not solved. The trained labor problem is not solved. It is still impossible in many cases to make delivery of complete machines. Although suggested in several quarters months ago and obvious from the start, no real survey of the aircraft industry has yet been made, The Post was told.

Training Craft

In light training planes, as the Minister of Supply has mentioned, and in building craft for Great Britain under the Canadian Associated Aircraft plan, present progress is reported as satisfactory. Production wrinkles here have been ironed out, volume of output is increasing. But this, it is said, is only a small

(Continued on page 4, col. 6)

Inter. Bronze Has Best Year In Its History

From Our Own Correspondent

MONTREAL.—Sales and earnings of International Bronze Powders Ltd. in the current year ending Dec. 31, will be the best in company's history, according to an official.

Previous best year of the present organization was in 1937 when net profit of $436,068 was shown. The existing concern was incorporated in 1934. Aggregate profit of the subsidiaries before formation of the holding company was $174,577 in 1929 and $228,433 in 1933, after depreciation and taxes.

Prospects Held Encouraging

Earnings on the 6% preferred stock, of $25 par value, before taking into consideration participation features, amounted to $4.29 and $2.15 after participation in 1937. In 1939 earnings on the preferred were $3.46 and $1.73 before and after participation respectively.

Prospects for the near future are considered encouraging. Demand for aluminum and bronze powders has been considerably heightened by better business conditions resulting from war activities. Exports to the British Empire markets have been much greater because of the elimination of competition formerly presented by European organizations.

Seaway Deal Allows For Navigation Plan

From Our Own Correspondent

MONTREAL.—Washington is now engaged in drawing up a new United States-Canada St. Lawrence treaty which will be submitted to Congress shortly after the turn of the year.

When an "agreement" was reached recently between the two countries it was definitely stated that the International section of the river would be developed as a power rather than as a navigation project.

Advices from Washington indicate the new treaty will be just as much a seaway as a power agreement. The treaty may be dressed up to emphasize power and its importance in the national defense programme, but the navigation features of the project will not be neglected.

It is probable that Canada will insist that deepening for navigation be postponed at least until a year after the war.

This approach to the consummation of a treaty between the two countries is necessary to secure approval in view of the marked opposition in the past to the seaway venture.

When the project was put before the U. S. Senate four or five years ago as a seaway development, it was defeated and the matter did not reach the Canadian Parliament.

As there is a strong agitation in the mid-west for the seaway project and in order to secure the necessary Senate support, President Roosevelt is expected to devise a joint power and navigation project with power development being the first stage in the programme.

President Discloses Plans

This week a letter from President Roosevelt to William Pittenger, Republican member of Congress from Minnesota, was made public. In it the President stated construction of a dam for power development on St. Lawrence River would be a major step forward in the development of a Great Lakes-St. Lawrence seaway.

His letter, in part, follows:

"The development of power is the matter of immediate emergency from the national defense viewpoint, but nothing in the steps which are now being taken will in any way delay or increase the cost of the deep waterway undertaking.

"The general plans for the project which have been subject to discussion include a main dam, which will create a deep pool for navigation and power houses to utilize the head created by the dam.

"To enable navigation to by-pass the dam, a short canal with the necessary locks will be constructed.

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New Models Ban Creates Problems

Some knotty problems have been created but no serious results are anticipated from the ban on new models of a wide range of industrial products.

Officials of major firms in a number of the key industries affected foresee no material drop in sales or production operations as a result of the ban. As forecast by The Financial Post some weeks ago, and officially announced last week, present models are to be "frozen" and future production restricted as far as possible to existing designs.

The ban freeing workers and plants for war work in the machine tool and allied fields is expected to have little or no effect on continued employment in either of those fields or in actual production of finished goods.

And early fears that consequences for dealers and extensive sales organizations would be serious are termed unwarranted.

No Dire Results

In some quarters it is hinted that the new model prohibition is welcomed. It is regarded as obviating costly readjustments in designs and plant every year or so. It will also relieve some manufacturers of the growing difficulty of finding skilled

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Expect More U.K. Firms Moving Here Shortly

By STAFF WRITER

OTTAWA.—Large scale migration of certain branches of British industry to Canada, is expected in the near futuure, The Financial Post is informed. The move contemplated is one of expansion rather than complete and immediate transfer to Canada. It is pointed out that the modern industrial plant is never stable. There are changes and additions being made almost continually. With the kind of bombing that Great Britain has been experiencing in recent months, this change is greatly accelerated.

Recently, The Post is informed, many British industrialists have come to the conclusion that for the future any new plant necessary might better be built in Canada with the home factory continuing in production as long as bombing and present equipment will economically permit.

First newcomers will be made up largely of vital and vulnerable war industry of a nature that can be easily transplanted. Chemical and explosive plants are specifically mentioned and there is also some possibility of an important shift in textiles. The fact that these lines and especially the first mentioned, do not use a lot of difficult-to-manufacture machinery is given as the main reason for a move in wartime.

Plants manufacturing say automobiles, airplane engines and machinery of various kinds, it is believed, will not seriously consider large scale migration so long as the war continues in its present critical stage.

For one thing, such a move would seriously disrupt vital production. Due to the shortage of machine tools it would also be impossible to secure the new equipment necessary in any long distance expansion.

Chemical and explosive plants, on the other hand, require little or no machine tools. It is largely a ques-

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The War And Business . . A Weekly Round-up

New Models

There will be other moves to ease the shortages in skilled labor and machine tools. Prohibition of new models of motor cars and all appliances or equipment requiring the use of machine tools is but the first step. The next move will be the placing of a ceiling on the wages earned by these and other workers.

The Government's order apparently has been widely misunderstood. Many complaints are voiced of "hardship" which will ensue. Some people took the order to mean that no new model cars or other appliances could now be sold. This, of course, is not true. Existing models can be manufactured and sold without limit. Nevertheless, the selling appeal provided by new models will be gone and undoubtedly sales will be affected. The list includes: vehicles, railway rolling stock, bicycles, refrigerators, cooking and heating equipment, sewing and washing machines, radio sets, vacuum cleaners, humidifiers, typewriters and glass and other containers.

* * *

No Compensation

Ottawa shows no inclination to assist the many men and women who will suffer as a result of the new models ban. It is argued that there is no obligation on the Dominion to compensate citizens for decisions made in the national interest. In the case of the Winnipeg Grain Exchange, for example, many hundreds of persons were seriously injured financially when trading was restricted but there has never been a suggestion that they should be compensated.

This order is to be an isolated one. But so far there does not seem to be any clear idea of the further moves which will be necessary. Action will, of course, be taken to prevent anyone in Canada purchasing a new model in the U. S. and importing it, regardless of price. An outright ban is indicated here. There are also reports of restrictions upon installment selling.

What is now happening is the deployment of government policy on two fronts. The crisis in skilled labor and machine tools is being eased. That is the all-important end of the order. But, in addition, the Government is arming to cut down expenditures on consumption goods and thus filling the reservoir of savings available for war loans.

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Borrow or Embargo?

Behind the scenes there is much diplomatic manoeuvring over restrictions by Canada on imports of citrus fruits, early vegetables and "gadgets."

Washington would rather lend money to Canada than have such imports curtailed to conserve Canada's supply of U. S. dollars.

The original import restriction programme has been whittled down. Financial advisers of the Government insist, however, that borrowing is no substitute for self-denial when there is a war to be paid for. Self-denial, plus borrowing when self-denial reaches its limits, yes—but not easy devices as an escape from harsh reality.

The difficulty of the present position is obvious. The adverse balance of trade with the U. S. A. will probably rise from $161 millions in 1939 to $300 millions in 1940. Interest profits, dividends, freight and similar items cost $285 millions in 1939 and this will rise to at least $295 millions this year.

Gold production will increase from $185 to $205 millions but the tourist trade will be much lower. In 1939 it produced $167 millions. The amount of the loss here is in doubt. The Bureau of Statistics restricts it to some $20 millions, but other reliable sources write down net tourist receipts to close to $100 millions.

The net drain on Canada will thus increase from $94 millions in 1939 to approximately $300 millions this year. Chief factors in this change will be increased imports and the falling away in the tourist trade.

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The position, however, is not as difficult as this calculation indicates. As Hon. J. L. Ralston, minister of finance, said in his budget speech last June, Britain is paying part of her adverse balance with Canada in gold and this gold is available for export to Washington.

But Britain has let it be known that she is not drawing gold and U. S. dollars out of a bottomless barrel. There is a limit to the gold she can channel through Canada, even if Canada's greatly increased adverse balance with the U. S. A. results in large measure from the war production we have undertaken to aid Britain.

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R'aring to Go

This week The Post reports on a study of the aircraft industry. The report is mild compared with the "off-the-record" opinions expressed by one aircraft executive after another.

The Canadian Associated Aircraft programme of production of bombers for Britain in six separate plants, plus two C. A. A. assembly plants, is now going ahead smoothly. Earlier difficulties have been ironed out.

But, on the whole, Canadian aircraft manufacturing capacity is not being used to the full. Chief troubles seem to be lack of a definite programme for use of these plants plus endless red tape in getting contracts finally placed, specifications approved, plans confirmed and product and costs inspected and passed.

Executives agree aircraft manufacture could be speeded up enormously in Canada if there were one man to make quick decisions, discovering what is needed and what the industry could produce, and who could then place orders and give the manufacturers "their head" in getting the job done.

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Busy City

Look for a marked upturn in manufacturing statistics of Kingston, Ont., in the next year or two.

There is the big Aluminum Co. plant transforming pigs of metal into sheets and tubes of various kinds. There is the new Nylon plant going up to make yarn which will be sent to the cloth industries of Toronto and Montreal for manufacturing of dress materials of various kinds, hosiery or other products.

The new capital investment of these two plants alone is approximately $5 millions. It compares with a total investment of $8 million in all manufacturing industries in Kingston three or four years ago.

One important fact about Kingston's rising industrial star is that the city is midway between the two great manufacturing centres of Toronto and Montreal. Certain processing and manufacturing can be done at Kingston and the goods shipped readily to either Toronto or Montreal at low freight cost.

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Speaking Candidly

If we want the Americans to lend us money, or if we think they ought to be in the war, let's say so. That is the advice given to Canadians by a New York lawyer, not unknown in Canada. He writes the editor of this column:

"My prediction has been, since the invasion of the lowlands last May, that America will be in the war by this coming May. My present feeling is that all the restrictions on loans, credits, convoying of supplies in American ships, etc., will be swept away shortly before or at the same time as our actual entry into the war.

"Meanwhile I think that it would be a mistake for our British and Canadian friends to indulge in the polite talk of recent months to the effect that they do not want us in the war as long as we supply munitions, food, ships, etc. They don't really believe that and neither do we. I think the time has come when the British and Canadian peoples must speak the plain truth that is in their hearts. There were probably good reasons of policy for not doing so in the past but they are not applicable today. This is going to be an extremely tough winter for Great Britain. It will be a tight squeeze. For our sakes as well as yours, Americans must face the facts. You can help us as well as yourselves by putting your cards on the table in a forthright manner."

Action on Sirois Report Meets More Hostility

From Our Own Correspondent

OTTAWA.—With the Dominion-provincial conference six weeks away, clouds are beginning to gather and the prospects of success are becoming less certain.

The past week has seen much political manoeuvring. Premier John Bracken has proclaimed his expected crusade and defined the objectives:

1. Win the war.
2. A better deal for prairie farmers.
3. Implementation of the Sirois report.

Although not explicitly stated, the Bracken campaign, admittedly, is designed not as a Manitoba effort but as a campaign which can only be won by a united prairie west. "If we speak with a babble of tongues," said Mr. Bracken, on Nov. 19, "we will be neither heeded or understood. Even agriculture has not yet learned to speak with a united voice and we see the results all around us."

There is not to be an immediate election in Manitoba. Mr. Bracken will await the conference and plan his offensive after he knows the best, or worst.

Meantime, the Bracken bid for western leadership is plainly unwelcome to Premier William Aberhart of Alberta and Premier Duff Pattullo of British Columbia. Mr. Aberhart, who himself has cherished and may still cherish national ambitions, has condemned the Bracken all-party government because it is "based upon the Sirois report." Mr. Aberhart, despite advance reports to the contrary, has come out against the report. His reasons are that it is a step toward totalitarianism, since it would centralize power at Ottawa. Those who press for the adoption of the report, he says, are "cowards."

Premier Pattullo who has, in effect, defied national necessities by countenancing an extravagant budget, has also defined the position of his government with respect to the report as follows:

"The Government is not prepared to accept the recommendation of this report in toto as suitably applicable to British Columbia. I do not agree with all its conclusions, and the very basis upon which those conclusions were arrived at by the Commission have in this already short space of time very considerably altered and have changed the picture."

Mr. Pattulo said he was opposed to placing plenary powers in the hands of the Federal Parliament "even to the extent of those which are now exercised during this war period." Doing so, he believed, would only lead to disruption and disunity.

The Patterson Government in Saskatchewan has been strangely silent both on the Sirois report issue and the Bracken declaration.

Thus the first few days of the pre-

(Continued on page 8, col. 2)

Drop Aluminum In Smoke Packs

From Our Own Correspondent

MONTREAL. — All available aluminum being needed for war purposes, G. Bateman, metals controller, has secured co-operation of aluminum foil manufactures to use other materials. Accordingly after the turn of the year aluminum foil will not be used for wrapping cigarettes, confectionery and other goods. The manufacturers will probably use lead foil.

Transportation, electrical transmission lines and cooking utensils account for over 80% of the total aluminum used in the country.

It is estimated that all miscellaneous uses of aluminum account for around 7% of the total, or about 350 of the 5,500 tons used yearly.

The amount of aluminum used in aircraft construction is said to run from 2 tons to more than 4½ tons a machine.

Sale of Abitibi Applied For

As forecast some time ago in The Financial Post, The Montreal Trust Co. has applied for a new sale of Abitibi Power & Paper Co. to the Ontario Supreme Court. The application is being heard by Mr. Justice Middleton Nov. 29.

This sale will, if approved by the court, be by public auction, but this time the application is for a sale without any reserve bid. It will be recalled that the Oct. 16 sale failed when the only bid made was $30 millions.

MEN'S SHOP

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Separate Collars 50c each, extra

Free Parking While Shopping

MEN'S SHOP

EATON'S - COLLEGE STREET

The Nation's Business

(Continued from page 1)

ganization which has been set up, it is open to grave doubt if even the modest sum of $10 millions a month will be achieved.

There are two reasons.

1. That the limited channels through which the war savings programme is being merchandised are inadequate to reach deep down into the heart and pockets of every Canadian.

2. That the Government has failed as yet in bringing to Canadians a realization of the real nature of sacrifice and saving that must be required of every citizen if the war effort is to be prosecuted successfully.

Mr. Ilsley knows the sacrifices that must be made and the savings that must be practised by Canadians. He must appreciate the urgent need for getting such information across to the rank and file of citizens and to business and community leaders.

If we are to do the "very much more" which Mr. Ilsley speaks of, a starting point is the nation-wide job of informational and inspirational leadership under the most imaginative direction we can secure.

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Not Too Early For 1941 Wheat Policy

Hon. J. A. MacKinnon, Minister of Trade and Commerce, has announced in Parliament that declaration of 1941 wheat policy is not to be expected before February.

This raises important questions. Why should it be necessary to wait until February? Why should not the Government be prepared now with a wheat policy?

True, any new policy if announced in February will still be in advance of the seeding season. It may still give farmers time to adjust their plans for spring operations in accordance with new conditions.

But if the Government is going to change its policy (as implied by Mr. MacKinnon's statement) there are important reasons for saying so —NOW.

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At present the Government, through the Canadian Wheat Board Act, accepts responsibility for all wheat grown in Canada. It guarantees a minimum price based on 70 cents a bushel at the head of the lakes for No. 1 Northern wheat. That guarantee is at present statutory. It applies to the crops of future years as well as to the crop recently harvested, and now in process of delivery by farmers.

The Government intends, apparently, to limit that liability. Some such limitation is evidently expected both in the West and the East. But it is probable that this limitation will not take the sensible form of asking western farmers to reduce the acreage they seed to wheat.

Western opportunities for other agricultural income are increasing.

For example, the hogs to provide the bacon for Great Britain, under the new agreement recently announced, will be produced very largely in western Canada. Eastern farmers, under the necessity of buying feed grains, will not expand production so readily as farmers in the West, where surplus feed grains are produced. And eastern farmers, in addition, are likely to leave to western Canada the task of providing an increasing percentage of the butter required in Canada, as their dairy operations are increasingly diverted to the production of cheese. Even under such conditions the East is likely to call on the West for increasing supplies of feed grains, to support increases in livestock operations, and also to replace the feed corn that formerly was imported in considerable quantities.

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While it is probably sound to wait until such facts can be more accurately appraised, before stating precisely the limits of the Government's liability for wheat, Ottawa should now face frankly the fact that there is to be a limitation, and prepare the country for action in that direction.

If the Government has a liability it is in respect of income to individual farmers. It is not a liability as to the need for wheat. Any policy which puts a handsome premium on continued wheat production, either by supporting or expanding acreage, can have no justification.

There will be plenty of wheat carried over at the end of this crop year to get along with, even if none should be produced in Canada during 1941. The wheat the Government will be holding at the end of next July it will have to go on holding, in order that wheat farmers may find some market for their product next year.

If the Government withholds any further information as to its wheat policy until next February, false hopes and expectations are inevitable. The Government should begin at once to map out the lines along which wheat farmers as well as all other citizens of the community must be expected to make their contribution to the war effort in 1941.

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Coming to Grips With Wage Policy

The recommendation of the board of conciliation appointed to deal with differences between Canadian Vickers, Ltd., and some of its employees has brought the Government face to face with wartime wage policy.

The Vickers board unanimously recommended immediate and strict stabilization of wages. It argued:

"If rents and commodity prices can be stabilized as a vital war measure, wages can and must be equally stabilized or rents and commodity prices will become unmanageable in spite of attempts at regulation."

There are at least two important points raised by this finding.

First, there is a direct challenge to the Government to face this wage question squarely.

There is also the interpretation of what is meant by wage "stabilization."

If inflation — the curse of the workers — is to be avoided, wage rates, like commodity prices, must be kept within reasonable bounds. To achieve this there must be a greater degree of control exercised. This is necessary to ensure that the increase in expenditure on war materials (to quote Sir Kingsley Wood) means "output and not merely a senseless increase in prices, wages or wasteful use of our resources."

So far, most Canadians have hardly come to grips with the grim realities of war sacrifice and saving. This is largely because government leadership has been unwilling to face facts such as those disclosed by the Vickers award.

True there have been hints from Ottawa as to what will be required but they have largely stopped short of shaking us out of complacency. The Vickers award faces up to the need for a firm, determined policy in respect of wartime wages.

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How then should wages be stabilized?

The most practical, effective plan yet found is the cost-of-living wage bonus worked out earlier this year by the coal miners of Alberta. At their own suggestion, the workers in this area agreed to stabilize wage rates at the pre-war level for the duration of the war and one year thereafter on the understanding that they be paid a flat cash bonus varying with changes in the cost of living greater than 5%. A special commission was appointed to report on living costs every four months.

The plan does not provide a "bonus" for higher living costs brought about by increased taxation. War taxes are specifically excluded from the cost of living adjustments. Workers will not be "protected" from war sacrifice by extra pay to meet war taxation.

Already the plan has been adopted by a number of firms and groups outside the Alberta coal area. It is a principle which could be extended indefinitely into Canada's wartime wage policy now that the Vickers award has brought the whole question into the open.

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Mr. Phipps Supports Sirois Programme

At the annual meeting of the Imperial Bank this week, A. E. Phipps, president, put himself firmly on record as favoring the Rowell-Sirois report.

Said Mr. Phipps:

"I believe that the adoption of the report would be in the best interests of the Dominion and the provinces and regard it as a matter of enormous importance."

The Imperial Bank is the first of the chartered banks to hold its annual meeting and since the chartered banks as a whole have not yet declared themselves publicly in respect of the report, this statement by Mr. Phipps has more than usual significance.

It suggests that another very influential and nation-wide group is adding its support and commendation to the Sirois plan for re-confederation.

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Tooke Earnings Gain Sharply

Results For Year Expected to be Better Than in 1939

From Our Own Correspondent

MONTREAL.—Sales and earnings of Tooke Bros. Ltd. in the year to date are well above those of the same period last year, The Financial Post is officially informed. Results for the year will exceed those for 1939, when a net profit of $91 was shown. This compares with a net loss of $62,493 in 1938.

Much of the improvement in business has resulted this year in better demand from normal outlets, but the company has benefitted to some extent from war purchases. The latter factor has been a determining factor in increased business.

No dividends have been paid on the 7% preferred stock since July 15, 1931. Despite marked betterment in earnings there is no prospect for resumption of dividends in the near future.

The New Model Ban

(Continued from page 1)

artisans to make model changes or of obtaining new tools, dies, etc., from supply plants. In other cases, it will leave plants freer to concentrate skilled labor on war work.

A fairly general feeling is that as long as all concerns in an industry are "in the same boat" as far as new models are concerned, the ban is no cause for serious concern. Especially with the increased spending power arising from the war, it is expected that sales and production can be maintained at present levels, hence protecting the interest of sales organizations.

Wide Scope of Ban

The government order affects an exceptionally wide range of manufacturing industries, and applies to virtually any type of equipment or appliance which "directly or indirectly involves in manufacture the use of any machine tools, dies, jigs, gauges, molds, patterns or templates." The order-in-council specifically cites autos and other vehicles, radios, vacuum cleaners, refrigerators, bicycles, sewing machines, washing machines, cooking and heating equipment, humidifiers, typewriters, glass products, electric household equipment, office equipment and railway rolling stock.

In some of these categories, such as sewing machines, railway cars and typewriters, the ban will have little or no effect. While minor changes and improvements are made from time to time and even on a more or less annual basis for some makes of typewriters, major changes are only made as they are developed or required and may be four or five years apart.

In most other fields where remodelling is more frequent and important, little difficulty is anticipated. In some cases, it is believed, changes in appearance, design and specifications can be made to some extent without use of machine tools or otherwise violating the new model ban.

Problems Created

Various prospective difficulties have arisen, but as far as can be learned means for adjusting most if not all of these problems is already provided in the order-in-council or are being created by supplementary measures.

Principal problems which appear to have been created by the order are:

1. Canadian plants forced to stick to production of models on the basis of present designs would be at a competitive disadvantage with new models of imported finished products. It is expected, however, that this situation will be equalized by heavy import duties or other measures which will discourage new model imports, if not shut them off altogether.

2. In some fields Canadian plants are dependent to some extent at least on imported components and parts, even where the product is largely Canadian-made content. In such cases it may later be impossible to get a continued supply of imported components of present model design. If production is to continue at all, it will mean new models with the imported components; and parts hitherto made here will have to be imported also or fabricated to conform to the design of the imported units.

Exceptions Allowed

Just how this second difficulty will be resolved is at present a puzzle. Unless the new model ban is modified, the only solution seems to lie in the provision for special licenses for new model production.

Chiefly affected by both of the problems cited are the automobile and radio industries. In the radio field imports of completely finished products are not a serious factor, though all but two or three plants, it is understood, depend largely on imported components in manufacture.

In the auto industry there are only a few plants which produce vehicles in Canada and even these are dependent to some degree on imported parts and materials, some of them important components. Many makes of cars are imported complete.

Immediate Problems

More acutely and immediately affected are certain industries, such as the refrigerator manufacturers, now in the midst of changing over to new models. In one refrigerator plant canvassed by The Post preparations for changing over soon to new model production have been in progress for several months. Some of the machine tools, dies, etc., required have already been procured and other are in process of being made or have been on order for some time.

While it is believed each case will be dealt with on its merits, current expectation is that this and similar projects for new model output will be allowed to proceed. The order-in-council provides for new models to be produced in such cases, subject to approval of the Machine Tools Controller.

Internatl. Paints Earnings Better

From Our Own Correspondent

MONTREAL. — Financial statement of International Paints (Canada) Ltd. for the year ended Sept. 30, when it appears in the near future, will show betterment in sales and earnings. Working capital position will also be more satisfactory than in the previous fiscal year.

In the year ended Sept. 30, 1939, net earnings totalled $142,770, against $100,672 in the preceding year. In both years sufficient was transferred to reserve for amortization of bonds to stabilize net profit at $52,500, dividend requirements on the preferred stock. This was equivalent to $1.25 a share on the 5-6% preferred stock of $20 par value. Arrears on the preferred are $5 a share.

Look to Navigation In Seaway Deal

(Continued from page 1)

The locks and their foundations do not constitute in any sense a part of the dam structure.

Cause No Delay

"In other words, nothing in the plans for the dam can in any way cause delay or increase the cost of the navigation project. On the contrary, its construction will be in fact the major step forward in making it possible for ocean-going cargo vessels to navigate that section of the river. Upon its completion, the canal and locks can readily be built, thus completing that link in the seaway."

The President also said that in view of the "importance of the power to war production, I trust that the construction of the project will not be long delayed, and that the hopes of the people who have long anticipated deep water navigation and cheap power from this undertaking will be on the way to realization.

Change in Views

The views expressed are contrary to those set out by the President at the time of his conference last September, when he was quoted as saying, "The question of defense needs raises an immediate problem of ample power resources that makes the St. Lawrence development one which, for the time being, must be considered entirely apart from development of navigation facilities. Since additional power may be an immediate necessity representatives of the U. S. and Canada are discussing the subject of power alone.

Chicago in Picture

Another angle is the decision this week by the U. S. Supreme Court permitting the Chicago Sanitary District to increase from 1,500 to 10,000 cubic feet a second its diversion of water from the Great Lakes-St. Lawrence system for 10 days beginning Dec. 2. One of the biggest bones of contention between the two countries has been the unauthorized diversion of water by the Chicago Sanitary District.

Ontario has always claimed that its interests were adversely affected by the Chicago "water steal."

In recent negotiations Ontario was granted authority to divert additional water at Niagara Falls on the grounds that water taken out would be replaced by diversion of water at Long Lac and Ogoki.

Dicker for Advantage

While the additional diversion permitted Chicago is to cover a period of only 10 days, the temporary rights may become permanent rights, despite the understanding that the present agreement was not to be used as a precedent for any future request for additional temporary diversion in excess of amounts fixed by the Court's ruling of 1930.

Dom. Oilcloth Sales Better

From Our Own Correspondent

MONTREAL.—Sales of Dominion Oilcloth and Linoleum Co. are understood to have been somewhat better in the year ended Oct. 31. Financial statements will not be available for some weeks yet. In the year ended Oct. 31, 1939, net profit of $1.2 million was highest shown by the organization in recent years.

Earnings on the common stock in this year before taking into consideration participation feature amounted to $1.75, against $1.41 in the year ended Oct. 31, 1938.

Final estimate of fire damage to the Montreal premises is not yet available, but is thought to be somewhere between $50,000 and $100,000 covered by insurance.

Montreal Refrigerating Hold Down Arrears

From Our Own Correspondent

MONTREAL. — Declaration of a dividend of $1.25 a share on the $3 preferred stock of Montreal Refrigerating & Storage, payable Dec. 16, is the same as last year and will leave arrears of $10.75 a share after giving effect to the forthcoming payment.

U. S. Boosts War Output

(Continued from page 1)

dence over training of men as soldiers. About 80% of the men in aircraft plants are of draft age but their training is being deferred in the national interest.

A commercial aircraft priority committee has been set up. It will divert civilian aircraft production to war. But there will be no interference with flight schedules of the commercial airlines. The automobile plants have been brought into the aircraft picture to supply parts to the new aircraft plants for assembly.

There are still bottlenecks, particularly in machine tools, despite a 50% increase in production in this field.

Bottlenecks, officials emphasized to me, are not so much a supply problem as a problem of knowing what will be wanted and when, so that it can be planned for.

Serve Britain First

In all war production, British needs are getting first priority. One of the highest officials said to me: "What we do for Britain will determine our own timing and our own schedules."

Canada has asked for general information on priorities but there is little effort yet to set up any liaison between the two countries in the matter of priorities.

A naval official gave me an explicit denial that the Navy was considering the feasibility of American assistance in convoying British merchantmen, carrying American supplies to Europe. This could not be done unless the United States was at war, he emphasized.

The American naval shipbuilding programme is six months ahead of schedule.

Conversations with ranking officials revealed that they do not put individual emphasis either on air power or sea power but regard a combination of naval and air power as the determining factor in modern warfare.

I discussed with Federal Bureau of Investigation officials the problems that have arisen in connection with border crossings between Canada and the United States. They admitted quite frankly that so far as Canada is concerned all this passport and visa business was never necessary. The border restrictions had to be applied because of the other border—Mexico. The G-men paid high tribute to the Royal Canadian Mounted Police for their co-operation with American officials in checking potential saboteurs.

The F.B.I. people said there has been no evidence of enemy sabotage in recent explosions and fires in defense plants. The loss experience is normal, having regard for the wide scale of operations.

The U. S. Government is working out plans for a huge synthetic rubber development. The U. S. uses 650,000 tons yearly of rubber. The position of the country would be serious if Japan cut off supplies from the Malay States.

Labor Situation

Officials assure me there is no prospect of alarming wage increases. Labor Relations experts declare that strikes will not be numerous; the Wagner Act will provide facilities for many informal strike-averting settlements.

There is strong public sentiment against strikes in war industries. The Vultee strike was, for instance, considered an exception and public opinion revolted strongly against the workers in that case. But union labor leaders are strongly opposed to compulsory arbitration which would weaken their strike weapon.

Sale of Refrigerators Drops In September

From Our Own Correspondent

MONTREAL.—Sales of household refrigerators in Canada during September, as reported by the National Electrical Manufacturers Association, declined to 2,960 units from 3,480 units in the same month last year. Unit sales for the first nine months of the year, however, were up to 53,914 from 45,091 in the same period last year.

Seagram Profit Off in Quarter

From Our Own Correspondent

MONTREAL.—Earnings of Distillers Corporation-Seagrams Ltd. in the first quarter year ended Oct. 31 were reduced, Samuel Bronfman, president, told shareholders at their annual meeting.

Current sales are satisfactory, but the company is recovering from oversold and unsettled conditions that prevailed in the three months just past, Mr. Bronfman stated. This condition was caused to a great extent by unusually heavy sales in the last quarter of the year ended July 31, due to buying prior to the increase in internal revenue taxes, which went into effect July 1, last.

Reviewing results of the past fiscal year, Mr. Bonfman declared turnover during the period was the largest in the company's history. Sales of subsidiary companies showed a large increase over the previous year.

Apart from this buying spurt in the last three months there was a considerable increase in normal business during the year.

Regent Knitting To Pay Common Dividend

From Our Own Correspondent

MONTREAL. — Reflecting better operations, Regent Knitting Mills Ltd. has declared a dividend of 25 cents a share on its common stock, payable Dec. 30, to shareholders of record Dec. 14, the first dividend to be paid on the common stock since the initial of 25 cents a share Nov. 1, 1937.

A dividend of 40 cents a share was also declared payable at the same date as the common and of the same record date on the $1.60 non-cumulative preferred stock. This brings payments for the year to $1.60 a share. Dividends were resumed on the preferred Aug. 1 this year, after having lapsed since Dec. 1, 1938. A payment of 80 cents was made Nov. 1.

Osler, Hammond Nanton Adds New Director

Osler, Hammond & Nanton, Ltd., Winnipeg, announces the appointment of Lt.-Col. L. D. M. Baxter as a director of the firm and D. A. B. Murray as secretary. Lt.-Col. Baxter has been associated with the company for a number of years in an executive capacity and Mr. Murray succeeds George Luckhurst, who has retired.

Officers and directors will now consist of: H. F. Osler, president; C. M. Taylor, vice-president; W. E. Meikle, Harry Ford, E. A. Nanton, L. D. M. Baxter.

DIVIDEND NOTICES

SIMON'S

H. Simon & Sons Limited

Dividend Notice

A Dividend of $1.75 per share has been declared upon the outstanding 7% Cumulative Preferred Stock of H. SIMON & SONS LIMITED, said Dividend to be payable on the 21st day of December, 1940, to shareholders of record at the closing of business on the 7th day of December, 1940; also an Interim Dividend of 15 cents per share has been declared upon the outstanding No Par Value Common Stock of H. SIMON & SONS LIMITED, said Dividend to be payable on the 21st day of December, 1940, to shareholders of record at the closing of business on the 7th day of December, 1940.

By Order of the Board.
EDWARD SIMON,
Secretary.

Montreal,
November 25, 1940.

DIVIDEND NO. 12

Hudson Bay Mining and Smelting Co., Limited

A Dividend of One Dollar ($1.00) (Canadian) per share has been declared on the Capital Stock of this Company, payable December 16, 1940, to stockholders of record at the close of business on December 3, 1940.

H. E. DODGE, *Treasurer.*

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Newcastle, N.B.	Nov.	....	4%	1940-60	$20,000	....	....
Quebec City	Nov.	L. G. Beaubien & Co., and Syndicate	3-4%	1-9 yr.	1,285,000	....	....
			4¼%	10-yr.	1,002,400	....	....
Chilliwack Twp., B.C.	Nov.	Royal Bank	4%	1941-50	52,500	....	....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
United Grain Growers	Nov.	Wood, Gundy & Co.	4½%	1949	$552,000	96.00	5.23%
Manitoba Sugar Co. (Guar. by Prov. of Manitoba)	Nov.	Wood, Gundy & Co.	5%	1960	600,000	97.00	....
Canada Machinery Corp.	Nov.	W. C. Pitfield & Co.	5%	1954	200,000	100.00	....
			4%	1941-45	150,000		
			*6%	1955	300,000		
Stock Issues—							
Imperial Varnish & Colour Co. With bonus of one-half share of common stock.	Nov.	Fry & Co.	Pref.	....	8,217 shs.	32.00	....

*Notes offered at 95 plus bonus of 10 com. shs. for each $1,000 principal amount are convertible into com. at 80 shs. per $1,000.

It's going to be a

SERENADER CHRISTMAS

The 1941 series of extra-value radios now ready!

This year, we expect more Santas to buy Serenader radios than ever before. Why? Because we've gone to great lengths to present a selection of models that far surpasses any of our previous Serenader achievements:—Our 1941 Serenaders incorporate all the outstanding engineering developments of the year — give you a range of cabinet designs for every home-furnishing need—and offer the same kind of values you have learned to expect from Serenaders. We urge you to see these new Serenaders soon, while our selection of all models is complete.

Purchasers in the Toronto delivery area may buy on special Home Lovers Club Plan with no down payment. Ten equal monthly payments, with service charge, begin one month after date of purchase.

$139.50 SERENADER MODEL 313

Handsome eight-tube console, receives world wide broadcasts on five wave-bands. Latest band-spread tuning of 49, 31, 25 and 19-meter bands. Automatic push - button tuning, twelve-inch speaker, built-in aerial, electric tuning eye, new-type tone control, automatic volume control, phonograph jack. Walnut or mahogany cabinet. Serenader Value! Each 139.50.

Simpson's

SIXTH FLOOR

London Calling

by Atticus

What Atticus Thinks of King George of Greece—How Travellers Felt About Loss of Empress of Britain—She Had Strange Combination of Elegance and Sanity

Owing to wartime delays in transatlantic communications, The Financial Post last week was unable to present the column by Atticus.

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LONDON. — The searchlight of events moves relentlessly across the map of Europe. In this column recently I said that Greece stood defiant in the path of the conquering dictators. Perhaps nothing marks more clearly the progressive degradation of civilization than the cynicism with which predatory countries go to war against small nations without even the pretence of a pretext, save expediency. The attacks on Norway, Belgium, Holland and Greece can hardly be equalled in the annals of international villainy.

But Greece now stands heroically against the Italian hordes. She at least has the advantage of being ruled by a King who must be inured to crisis and to the stampede of events.

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King George

From the time that King George reached man's estate he lived in a setting of intrigue, violence and tragedy. His father, the late King Constantine, was openly pro-German in the last war and was forced to abdicate by the Allies. After the war he returned to the throne, but the massive figure of M. Venizelos was dominating the political scene, and after a short interval King Constantine departed for the second and last time.

After the Asia Minor disaster the revolutionaries put King George under protective arrest. They offered him tempting financial advantages if he would renounce the throne for all time, but he refused. At that their tune changed and it was feared that King George would pay for his courage with his life. He managed, however, to get away together with his wife, the sister of Carol of Roumania, but with very little money.

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Very Democratic

King George chose the age-long sanctuary of royal exiles—Britain. Living at a small hotel in London, he entered into our everyday lives with heartiness and understanding. He had the broad forehead and naturally distinguished carriage of his father, but at heart he was a democrat, and took to our omnibuses and underground trains neither as a gesture nor as an economy, but for sheer love of making contact with London's teeming life. He participated in a debate at the Oxford Union, and won the plaudits of that honored institution which balances its inexperience with the firmness of its views. In November, 1935, King George was recalled to the throne.

Athens received him with delirious manifestations of enthusiasm and loyalty. It meant an end to the long years of plots and counterplots. Now King George has been for the second time under fire from the guns of Mussolini. In 1923, when the young King and his bride were at the Royal Palace in Corfu, Mussolini deemed Greece weak enough after her defeat to permit him to bombard Corfu in order to settle an Italian-Greek incident which was being investigated by the League of Nations. The royal couple narrowly escaped death, but 50 Greeks were killed. Fascist Italy's honor was satisfied—and the League left bad enough alone.

Today King George is 50 years of age, strong of body and resolute of purpose. He loves Britain, and has a score to settle with Mussolini. We in this country hail the courage of him and his countrymen—and also have a score to settle with the gentleman in Rome.

Throughout the difficult days of the Greek dynasty after the last war General Metaxas was openly Royalist, but when King George was overthrown he recognized the Republican Government as the only one that could bring order to the country. All the time, however, he worked secretly for the restoration of the monarchy, and when death removed the four most powerful Republican leaders in a short space of time, he saw his dream come true, and there was once more a King of the Hellenes.

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Industrialist Passes

William Lionel Hichens, whose name was among those for whom a joint memorial service was conducted by the Dean of Westminster and Canon McLeod Campbell in the beautiful chapel of the new Church House, Westminster, was most widely known as a great industrialist—he was chairman of Cammell Laird and Co.—and for his public work in South Africa in what now seems like a bygone age.

He served first as a private soldier in the war in South Africa, and later, when Lord Milner brought him into his famous "kindergarten," as Colonial Treasurer in the Transvaal. After further service under Lord Selborne he came back to be chairman of Cammell Laird, to which enterprise he devoted most of his energies.

There was another side to Lionel Hichens, however, not perhaps so widely known. He was the very kindest of men, and he was also a most devoted son of the Church of England. For years his immense business knowledge had been placed freely and unstintedly at the service of the Church. He was a member of Council of the Corporation of the Church House, Westminster, throughout the difficult period which intervened until the great project finally took shape in the beautiful new building erected to the design of Sir Herbert Baker and opened by the King and Queen on June 10 of this year.

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Great Host

Major General Sir Cecil Lowther, who died recently in his 72nd year, had lived a full life. He was in the army for over 30 years, travelled and hunted big game in many lands, and was twice elected to the House of Commons.

Sir Cecil possessed in full measure the Lowther's personal charm. He excelled as a host, loving to have his friends about him; and one may add that he excelled also as a guest. He published a book of reminiscences, "Pillar to Post," as long ago as 1911; in its pages one finds an authentic account of a remarkable career as big game hunter.

GEORGE II OF GREECE

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Losing an Empress

Readers of these notes will perhaps forgive me for claiming a somewhat intimate sorrow when the beautiful Empress of Britain went down as the result of enemy action. I had crossed in her to Canada in August, 1939, and came back on what proved to be her last peace voyage.

To those who love the sea every liner has a personality of her own. The old Mauretania was like a prim maiden lady, and even when she went to be broken up, bereft of all her ornaments, she made the journey with a fine disdain for other craft that looked at her with curious eyes. The Olympic was opulent, self-satisfied and insensitive. The Normandie was Paris at sea, her very decks screened and everything designed to allow Madame to look her best, free from the too searching glare of the unromantic sun. The Queen Mary is as wholesome as a bale of hay, like a fresh-complexioned, buxom woman without a memory or a regret. The Empress of Britain was unlike all the others. She had a strange combination of elegance and sanity. May she find sedate and comforting companionship in the after-world where dead ships go.

• • •

No Master of Ceremonies

Captain Sapsworth, who brought the King and Queen back from Canada, and who was on the bridge when the Empress was struck, was the ideal commander for such a ship. He was modest, cool-headed, and thorough. Unlike the captains of some liners he regarded himself neither as the host of a floating house party nor a master of ceremonies of an ocean palais de danse. His job was to cross the seas safely, and he rarely left the bridge except for inspection duties. I sailed with him some half-dozen times, and I never saw him flustered or out of temper. He took his ship around the world in the days of peace, and when we left Quebec in that fateful August of 1939 he carried out the Admiralty's instructions and restrictions as calmly as if he had never sailed except in the shadow of imminent war.

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The Post-Bag

Oil For the Lamps

"How to See in the Blackout."

That is the heading of an advertisement in a British paper. The answer to the problem is to keep your diet high in Vitamin A. Without that vitamin people suffer from night-blindness, says the advertisement. The remedy: the particular brand of halibut liver oil recommended in the advertisement.

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Back-fire

Remember all those stories last June about the Germans booking steel orders in South America for October and November delivery?

Now the propaganda has backfired. In many cases the Germans put up cash guarantees of the fulfillment of the order. To make deliveries, the German agents have been buying frantically in the United States at an advance of 25 to 30% on the contract price. But what's worse for the Nazis, they have lost tremendously in prestige.

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Lust For Power

Why did Laval deliberately go over to the Hitler peace, and sell out France, callously and traitorously? Elie-J. Nois, former editor of "Petit Parisien," in the Sunday Times, London, says it was not because of ancient resentment against Great Britain; not because of a conviction that Germany was invincible. No, it was appetite for power. "Better to be a master in a shrunken and subject France than not to be the master at all," was Laval's argument.

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Lash as Publisher

Do you know the anthems of all the British Dominions? Most of them were entirely strange to us until we saw them on the back of the Government's new and very effective propaganda book, "The Two Ways of Life." This is a 28-page rotogravure publication comparing life in Germany with life in Canada.

Another excellent production of G. Herb Lash, director of public information, is a small pamphlet reprint of four of the best "Let's Face the Facts" broadcasts; those of Dorothy Thompson, Robert E. Sherwood, James Hilton and J. W. Dafoe.

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Maps of Hot-spots

One hundred maps of all the political hot-spots of the world are contained in "The Penguin Political Atlas." The Atlas covers not only Europe but the Far East, South America, Canada and other parts of the British Empire. The maps are hand-drawn and an effort is made to reduce them to the details that are of particular interest in connection with the war.

At 20 cents this little paperbound book is a useful one to keep in the desk.

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Hansard Digest

Another Penguin book which leads one to say "Why didn't someone think of that before?" is the Penguin Hansard. It is a digest of speeches in the British House of Commons taken from the Hansard report. All the major speeches are reported verbatim. Volume I covers the period from August 24, 1939, to May, 1940, when Mr. Churchill took over.

Volume II, shortly to appear, will cover speeches dealing with the war winning effort, food and farming, men and munitions, blockading the enemy, information of propaganda, etc.

Intended primarily as a work of reference, the Penguin Hansard is nevertheless a book that invites immediate reading.

• • •

Versatile

In peacetime, E. P. Taylor's big job is the presidency of Canadian Breweries Ltd. He is also president of such companies as Orange Crush Ltd. and Honey Dew Ltd., firms connected with the soft drink and restaurant business.

Now Mr. Taylor appears officially in the publishing business. The current issue of New World, published by Anglo-Canadian Publishers Ltd., shows "E. P. Taylor" as publisher.

Mr. Taylor's picture also appears in this issue; this time in his wartime role as director-general of munitions production in the Department of Munitions and Supply.

"Eddie" Taylor is obviously a very busy man.

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Schuschnigg

Where is Schuschnigg?

A well-informed European correspondent, recently in Canada, told us he was now a madman in a Vienna hotel.

A former member of Schuschnigg's cabinet, who dropped into the office the other day, said he was locked up in a prison near Munich.

The accounts agree that the former Chancellor of Austria, who preferred death or imprisonment to bowing the knee to Hitler, is still alive but enchained by his brutal masters.

• • •

Blitzkrieg

Inland Printer, Chicago, publishes every second month a "Blitzkrieg Page." It contains short items of news from overseas, showing how printers, advertisers and papers in Britain and Europe are adapting themselves to war conditions.

Larger Deficit For Dominion

Public Accounts Reveal $118.7 Millions Gain in Net Debt in 1939-40

Public accounts of the Dominion Government reveal a substantial increase in deficit in the year ended March 31, 1940, due chiefly to war expenditure. An overall deficit of $118.7 millions was recorded for the year, against a deficit of $50.9 millions in 1938-39.

Special expenditure on war account amounted to $118.3 millions. Cost of national defense, shown as ordinary expenditure, was $13.2 millions. Expenditure on both war and defense aggregated $131.5 millions, against $34.4 millions.

Following is a breakdown of war expenditure for the year:

War Expenditures

In Year Ended March 31,	1940
Militia services	$67,302,186
Naval services	11,341,459
Air services	28,561,081
B. C. A. T. plan	4,257,081
Sundry	890,408
	112,352,437
Other departments	5,938,585
	118,291,022

Revenue was up substantially, while a decrease was shown on ordinary expenditure, increasing surplus on ordinary account to $143.3 millions from $85 millions.

Following are comparative public accounts for the two years:

Revenue and Expenditures
Years Ended Mar. 31

	1940 $000's	1939 $000's
Revenue		
Customs duties	104,301	78,751
Excise duties	61,032	51,314
Other excise taxes	28,582	39,571
Sales tax	137,446	122,139
Income taxes	134,449	142,026
Other tax revenue	1,875	1,905
Total tax revenue	467,685	435,706
Non-tax revenue	73,931	62,310
Total ord. revenue	541,616	498,016
Special receipts	164	1,256
Refunds & credits	20,314	2,899
Grand total revenue	562,094	502,171
Expenditure		
Debt charges	134,606	133,147
National defence*	13,189	34,432
Provincial subsidies	19,244	21,227
Old age pensions	29,977	29,044
Pensions (war, military, civil)	56,990	42,793
Post office	36,726	35,455
Public works	13,065	15,484
Transport	15,422	15,487
Other ord. expend.	79,104	85,963
Total ordinary	398,323	413,032
Capital	7,030	5,424
Relief	62,113	46,896
War*	118,291	......
Wheat losses	27,000	25,000
C.N.R. deficits	40,096	54,702
Other Government enterprises	1,964	4,241
Other charges	†25,957	3,768
Grand total exp.	680,794	553,063
Expenditure	680,794	553,063
Revenue	562,094	502,171
Overall deficit	118,700	50,892

*Expenditure on national defense shown as ordinary expenditure prior to the outbreak of war.

†Includes write-down of assets and cancellation of $17.7 millions drought area relief loans to Saskatchewan in 1939-40.

Special provision

for some one dear to you

UNDER a Living Trust agreement you can make special provision for a member of your family or anyone else you choose. You can reserve the right to change or terminate the agreement at any time. You can also retain any desired degree of investment supervision.

In a few minutes time we can outline the several practical advantages of this plan.

Crown Trust Company

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MONTREAL TORONTO

BRITISH AEROPLANE ENGINES LIMITED

Exclusive Agents in Canada for Bristol Aeroplane Engines

ASSEMBLING OVERHAULS GENERAL SERVICE

at 6259 Notre Dame St. East

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Will Still Get Oranges Maybe Not Grapefruit

By STAFF WRITER

OTTAWA.—Official Canadian efforts to restrict non-essential American imports with the object of conserving exchange for vital war purchases have met with some difficulties, The Financial Post hears from a reliable source. Disclosure of these intentions some weeks ago, it is reported, has proved embarrassing to officials in charge of the delicate negotiations. American interests have been aroused. Growers of fruits and early vegetables, and manufacturers of household goods, the two lines specifically mentioned as due for restriction, have made strong representations through the authorities at Washington. But, The Post is informed, the official attitude at Ottawa remains unchanged. It is definitely decided that Canada cannot afford this drain on our slim supply of American dollars.

Doubt Ban on Fruit

In regard to fruit considered vital to the nation's health, however, no sweeping ban is now expected. Oranges, for instance are mentioned as one of the exceptions. Certain vitamins are found in this fruit which in Canadian produce can only be duplicated in tomatoes and there is no abundant supply of canned tomatoes and juice this year.

But any easing in the proposed restriction on citrus fruit (grapefruit, lemons, oranges, etc.), it is said, will be offset by a wider ban than originally contemplated on such goods as imported household equipment, automobiles, gadgets of various kinds—in fact everything not classed as a vital war necessity.

Might Arrange Loan

While officials are keeping a strict silence The Post understands that Washington has intimated payment might be arranged without a direct drain on foreign exchange. A special long-term American loan might be offered to finance a continuance of the present trade, estimated to be worth about $40 millions a year when freight and other charges due in American funds are included.

Washington, it is also rumored, might definitely give us a new quota on special goods, such as natural products, which would be accepted in exchange for the American goods now being considered for restriction.

CAN. FOREIGN INVESTMENT

From Our Own Correspondent

MONTREAL.—Canadian Foreign Investment Corp. advises the Montreal Stock Exchange that a further 300 shares of the 8% cumulative preferred stock have been redeemed and cancelled, leaving outstanding 8,224 shares.

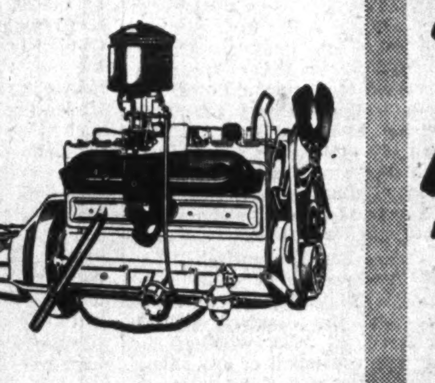
The Choice of Discerning Men

ACME GLOVES

When buying gloves, always look for the ACME trade mark — your guarantee of distinctive style, fine quality and long service.

ACME GLOVE WORKS LIMITED MONTREAL

TRY ITS NEW L·HEAD ENGINE

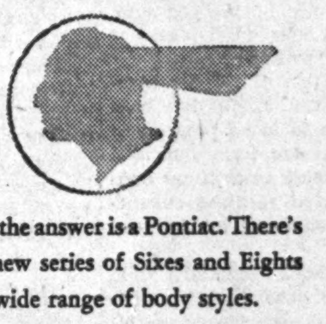


ALL 1941 Pontiacs, including the low-priced *Fleetleader*, have Pontiac L-Head Engines . . . long famous for quietness, smoothness, flashing "get-away", power-performance . . . record economy . . . and dependability, year after year.

KNEE-ACTION of most advanced design is also standard throughout the line. Knee-Action levels the roughest roads and is a feature indispensable to supreme riding comfort and handling ease.

1941

CONSIDER ITS LOW PRICES



Prices for the sensational, new Pontiac *Fleetleader* "Torpedo" are right down with the lowest! Yet the *Fleetleader* is styled, powered and equipped like many automobiles in the upper price brackets.

Whether you look for lavish luxury or lowest price in your 1941 *new car buy*—the answer is a Pontiac. There's five new series of Sixes and Eights in a wide range of body styles.

FIVE NEW SERIES: *Fleetleader* "Torpedo" Six; *Fleetleader* "Torpedo" Special Six; *De Luxe* "Torpedo" Six; *De Luxe* "Torpedo" Eight; *Streamliner* "Torpedo" Eight.

PONTIAC "TORPEDO" FLEET

SEE ITS AMAZING NEW BEAUTY

CHECK ITS MANY NEW FEATURES

Pontiac's Radiant "Torpedo" styling represents a *new kind of beauty* . . . the first really new note in motor car appearance in years. It's a *practical* kind of beauty, too. For "Torpedo" styling represents the opportunity to build bodies that are longer and wider . . . so the new Pontiacs offer much greater roominess, safety, convenience, new amazing comfort . . . and enlarged luggage space. At the same time, Pontiac's dynamic styling is lifted to heights of brilliant beauty you never dreamed possible.

Here are a few outstanding features of the low-priced "Fleetleader": New Full-Vision "Torpedo" Bodies by Fisher of Unisteel Construction • New 90 hp L-Head Engine • Most advanced Knee-Action • Safety Shift Gear Control • All-Silent Syncro-Mesh Transmission • New "Shockless" Steering • Positive Action Hydraulic Brakes • New Cushioned Clutch Action • Cowl-Type Emergency Brake operates on both rear wheels • Balanced Springing • Sway Eliminator • Sealed Beam Headlamps with Separate Parking Lights • New Concealed Running Boards • Bumper Guards • Distinctive Instrument Panel • Dual Tail Lamps • Dual Wipers • Adjustable Three-Passenger Front Seat • Sedan-Type Seat in Coach Models • Locking Glove Compartment • Outside Door Locks on Both Front Doors • No-Draft Ventilation • Safety Glass All Around.

PRICES START WITH THE LOWEST

P-441

Investment Trends

Stocks Approach Levels For Investment Buying

Attention Drawn to Disparity of Yields Between High Grade Bonds and Stocks — 1940 Peaks Approached by Many Securities

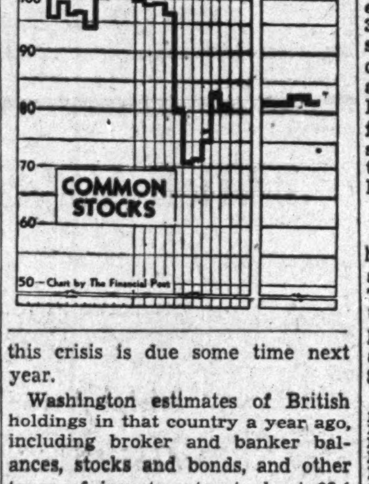
Following the brief flurry early this month stocks have sagged back to approximately the levels prevailing throughout most of September and October. But the whole movement on Canadian exchanges, at least, would not have occasioned any particular comment under normal conditions.

The Toronto Stock Exchange industrial share index moved up from about 101 to 106.37 on Nov. 9, a rise of slightly over five points. The Montreal index went from 68 to 72.7. This scale of stock fluctuation would not have been regarded as very important in more normal years.

But the general decline has taken many stocks back to levels where buying of the investment type is likely to operate again. Yields are attractive, particularly when compared with those available from high grade bonds. In a period when rising taxes make it difficult to maintain net income, this is a point which should attract more than normal attention.

Inflation talk, heralded as the reason behind the early November rise, has faded or been offset by the deflationary aspects of taxes in particular. In the United States, where the inflation idea seemed strongest a few weeks ago, it has subsided in the calmer consideration of what such things as potential end of the tax-free feature of government and municipal securities imply.

* * *



Good Performances

As a matter of fact, all this talk about stock market declines has probably obscured the fact that many stocks are at or near their 1940 highs right now. Among these are a number of top-grade investment issues as well as some that are of a more speculative character. A few of the stocks which at recent prices were approaching their year's highs include the following:

	Current price $	1940 Range High $	Low $
Brantford Cordage, p.	21	21	19
Canada Cement, p. ..	100¼	101	75
Canada Malting	37	39¼	29¾
Can. Wire & Cable, B	21	24	14
Canadian Celanese, p.	125	128	104
Can. Wirebound Box	20	22	13½
Distillers-Seagram, c.	27	28	18½
Dominion Tar, pref. .	87	90	75
Dominion Textile, c. .	86	90½	70
Fanny Farmer	27¼	30	20
Loblaw Groceterias A	27½	28½	20
Loblaw Groceterias B	26	27	20
Montreal Cotton, com.	65	65	55
Montreal Power	29½	31¾	25
Moore Corp., com. ...	45	48	34½
Paton Manufacturing.	40	40	30
Russell Industries, c. .	18	18	15
St. Lawrence Corp., A	18¼	21	10⅝
G. Tamblyn, com. ...	10¾	12	8¾
Hiram Walker, com. .	43¾	44	29¾

In some cases the year's highs have actually been reached within the last week or two. In every case this list shows substantial recovery from the panic lows of last may or June. The list includes chiefly dividend paying stocks, some of them among the "blue chip" class.

* * *

Preferreds Do Well

An interesting phase of the Canadian investment picture of the past year has been the remarkable way in which preferred stocks have performed. This is illustrated by the experience of many contestants in The Financial Post "Investing in Wartime" contest of the last year, who included substantial blocks of preferreds in portfolios.

A good portion of this performance of preferred stocks has been due to ability to make progress in liquidating arrears from increased earnings. In other cases it has been due to improved earnings enhancing the protection behind dividend payments.

Preferred shares generally yield some place between common stocks and bonds, although this is not always true. As a matter of fact, some investment experts seem to regard the low yield available on certain high-class common shares as insufficient to offset heavy taxes and to prefer the somewhat greater yield on preferreds, perhaps not of quite as high investment calibre.

* * *

Britain's Crisis

No let-up appears in sight in British efforts to liquidate holdings of American securities. Whaley-Eaton estimates that another year will pass before there is an actual crisis in British finance in terms of U.S. dollars. Up to Nov. 1, says this Washington letter, the British purchasing Commission had obligated itself in America for about $2.5 millions. That this estimate may be conservative is hinted by the statement of Lord Lothian, ambassador to the U.S., that this crisis is due some time next year.

Washington estimates of British holdings in that country a year ago, including broker and banker balances, stocks and bonds, and other types of investments at about $2.4 millions. Add to this British gold holdings of about $3 millions and you have their idea of available British resources.

* * *

Canadians in London

London comment on the recent vesting order covering Canadian securities estimates the amount involved at between £40 and £50 millions ($175 to $200 millions) with the probability that the lower figure is closer. It appears that the list included chiefly stocks of interest primarily to institutional investors. Attention is drawn to the fact that such leaders as Canadian Pacific and International Nickel were excluded although it is pointed out that this is no guarantee that these stocks are necessarily immune from a later vesting order.

It is said that the policy of the British Treasury in making further vesting orders involving Canadian stocks will probably be governed by its appraisal of the Dominion's ability to absorb called-up securities. The Investors' Chronicle concludes that:

"On the whole there is no need to question the ability of the Canadian investor to find a home for the stocks which may be offered to him as a result of the present call-up. Whether the same would apply to a list including Canpacs and Nickels is another matter. Unless the authorities can face with complacence the danger that control of such enterprises may pass out of Empire hands, a second call-up of Canadian securities may be some time in coming."

No estimate can be given as to what proportion of British holdings of American securities have actually been liquidated as yet, although reports from New York indicate that sales have been speeded up recently in the light of somewhat better tone on the stock exchanges. Lord Lothian also indicated thaat Britain was nearing the end of her resources of gold and other sources of U.S. dollars.

DOMINION OF CANADA BONDS

★

MARKETABILITY

Because of the ready market which exists, Dominion Government Bonds may be sold for cash at a moment's notice if the holder so desires. For the investor who wishes to maintain a strong liquid position, this marketability, plus safety, makes Dominion of Canada Bonds an ideal form of investment.

Our nation-wide facilities for the purchase and sale of Dominion of Canada Bonds and War Loans are at the disposal of investors at any one of our Branch Offices throughout Canada.

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38 King Street West, Toronto

Branches in the principal cities of Canada

U. S. Tip Top May Refinance

Financial Difficulties Attributed Mostly to Exchange Conditions

Financial difficulties have been encountered by Tip Top Tailors Inc., Linden, New Jersey, The Financial Post is advised officially. The company is controlled by the Canadian company of the same name, through ownership of 52% of the common stock.

One of the major contributing factors has been the exchange condition between Canada and the United States, which has made the transfer of capital to the U. S. difficult, it is reported by officials. Further, labor conditions in the area served have been difficult. General condition of business has not been conducive to the establishment of a new company, while this was aggravated by the outbreak of war only eight months after incorporation of the company.

A reorganization is being attempted, it is stated officially.

Dividends Guaranteed

The Canadian company made investment in and advances to this company of $90,671 to Dec. 31, 1939, which at that time were written down to a nominal value of $1. It was reported officially last April that a further $70,000 in U. S. funds had been advanced since Jan. 1. The Canadian company also has unconditionally guaranteed dividends on the $6 preferred stock during the life of Tip Top Tailors Inc. and in any event until Jan. 30, 1944. Total of 3,000 shares of this stock was outstanding at Dec. 30, last, so annual obligation to the parent company for another three years is about $18,000. In the event a reorganization is effected and earnings of the U. S. subsidiary cover dividend requirements, the Canadian company would not be liable.

Receiver Appointed

The Federal Court, Newark, N.J., has appointed G. D. Stone of Bayonne as receiver in bankruptcy of Tip Top Tailors Inc. on a petition filed by three creditors. According to the petition for the receiver, total assets are $299,545 and total liabilities $413,825, as follows:

Assets	
Merchandise in nine retail stores	$40,000
Equity in merch. in Newark plant	44,000
Fixtures	90,000
Personal property	6,500
Equipment, Newark plant	82,000
Cash	12,388
Accounts receivable	24,657
	299,545

After deducting $42,193 pledged to Bankers Commercial Corp. and $19,900 to Canadian Tip Top Company.

Liabilities	
Merchandise creditors	108,524
Other liabilities	305,301
	413,825

Canadian Business at Record

Business of the Canadian Tip Top Company in the meantime is continuing at the highest level since 1929, officials state. Sales and profits in the first 11 months of 1940 have been substantially ahead of the corresponding period of last year. Results for the full 12 months, subject to substantially higher taxes, are expected to be well ahead of 1939 when net profit of $253,004 was reported.

Investment Notes

Brantford Cordage—W. M. Messecar reports total production in year ended Aug. 31, last, somewhat in excess of any previous year on record. This was due to better than average crops in nearly all territories where the greater part of the company's sales usually are made.

* * *

Industrial Acceptance Corp.—Business of the company, one of the largest organizations in Canada engaged in commercial financing, will be favorably affected by the increase in motor vehicle financing reported by the Dominion Bureau of Statistics. New and used motor vehicle purchases financed in October totalled 13,014 units for $5.4 millions, compared with 11,700 units for $4.5 millions in the same month last year. For the 10 months to Oct. 31 there were 153,546 vehicles financed for $64.3 millions, against 132,651 units for $54,2 millions in the same period last year.

* * *

Canada Steamships — Somewhat easier operating conditions were experienced in October as indicated by the falling off in traffic through the Welland and St. Lawrence Canals. Aggregate tonnage last month was 402,320 tons less than in Oct., 1939.

Canada Malting Pays Usual Year-End Extra

Canada Malting Co. has declared an extra of 50 cents per share, payable along with the regular quarterly dividend of 50 cents on Dec. 14, to shareholders of record Nov. 30. Holders of bearer share warrants receive payment on presentation of coupon No. 52.

Year-end extras of 50 cents per share have been paid on Dec. 15 in 1935 and each succeeding year to date.

C. P. R. Gets More From Smelters

From Our Own Correspondent

MONTREAL.—As a result of Consolidated Mining & Smelting Co. of Canada's increase of 25 cents in total dividend disbursements this year, Canadian Pacific Railway Co. will receive $420,625 more income from this source than in 1939.

Smelters has declared an extra dividend of 75 cents a share on capital stock, payable along with the regular semi-annual dividend of 50 cents, Dec. 31. This will bring payments for the year to $2.25, against $2 last year.

C. P. R. held a majority stock interest of 1,682,500 shares in Smelters at the end of 1939 providing an income of $3.4 millions for the year. This amount will be raised to $3.8 millions in the current year.

Mont. Telegraph Wins Tax Case

Claim of Quebec Govt. For $38,376 in Tax Arrears Dismissed

From Our Own Correspondent

MONTREAL.—Claim of the Quebec Government for $38,376 in tax arrears against the Montreal Telegraph Co. has been dismissed by Mr. Justice McDougall in Quebec Superior Court. Arrears claim dates back 30 years under a special tax imposed by Quebec Legislature in 1882 on telegraph companies operating in the province.

Montreal Telegraph Co. was incorporated under Dominion Charter in 1847. In 1881 the company ceased actual operations of telegraphs and leased its lines to the Great North Western Telegraph Co. of Canada. The system is now operated as part of Canadian National Telegraphs.

Paid by Successor

When Montreal Telegraph was taken over by Great North Western, the latter company assumed the special business tax of $1,000. In 1882 the Quebec Treasurer took action to collect the tax from Montreal Telegraph, contending that it applied to all telegraphs companies as well as to operating concerns. The action was dropped in 1883. No claim was made against Montreal Telegraph until the present action was started, asking payment of the tax since 1908.

The present action was dismissed on the ground that no support could be found for the contention that a tax should be paid twice on the same enterprise.

Gatineau Wins Power Appeal

Court Rules Against Fraser Co.'s in $484,452 Award

From Our Own Correspondent

MONTREAL. — Appeal of Fraser Cos. against an award to Gatineau Power Co. for $484,452 and costs has been dismissed in the New Brunswick Appeal Court. A ruling in favor of the power company was made early this summer and the case was carried to the Appeal Court by Fraser Companies.

The suit involved a 40-year agreement between the two companies in regard to power development at Grand Falls, N.B. By contract which came into operation Oct. 1, 1928, the St. John River Power Co. predecessor to Gatineau Power Co. agreed to supply Fraser Cos. with 20,000 h.p. at Grand Falls. An initial supply of 13,000 h.p., known as class A power was to be held available at all times and another 7,000 h.p., known as class B power was to be held when available.

Sue For Power Use

The total was to be paid for at the rate of $20 per h.p. Fraser Companies paid the required $400,000 until April 30, 1933, whether the power was consumed or not. Since that date it has paid for only energy used.

Gatineau Power Co. brought suit against Fraser Companies about a year ago for recovery of the money it claimed was due under contract. Decision of the Court went against Fraser Cos. Principal amount due under the claim was awarded Gatineau Power Co., but its claim for interest was dismissed.

Trans-Canada Shares Paying 22.9c Divid.

Trans-Canada Investment Corp. announces that a dividend on Trans-Canada shares is being paid Dec. 1, 1940, amounting to 22.9 cents a share. This dividend is for the six months ending Nov. 15 last.

Dividends paid this year amount to 54.67 cents a share, equivalent to an annual return of 4.65% of the present offering price of $11.75.

Trans-Canada shares is a fixed investment trust, holding stocks of 15 leading Canadan companies.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg., mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
1929-39:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	204.6	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1940: Monthly Figures:												
Jan.	134.3	24.5	98.8	155.8	86.4	183.0	135.4	150.7	61.3	84.5	45.7	99.7
Feb.	129.3	23.4	98.4	158.2	90.7	184.3	134.0	146.8	60.3	84.3	45.3	99.0
Mar.	134.1	22.9	96.5	155.4	91.4	185.7	135.4	146.5	61.1	85.1	47.1	99.1
Apr.	132.5	24.6	95.9	147.6	91.6	184.7	137.9	146.4	61.9	83.8	47.1	97.0
May	102.6	16.3	77.6	124.7	80.5	165.0	117.9	115.8	52.0	79.7	39.4	80.4
June	93.2	13.1	62.9	100.2	70.3	144.1	106.9	103.3	47.0	74.7	35.8	71.9
July	92.0	13.9	67.1	101.3	74.5	145.8	114.2	102.3	47.1	70.0	35.5	72.5
Aug.	98.5	15.3	68.4	104.4	76.9	150.1	120.3	107.8	48.6	72.1	37.1	76.0
Sept.	107.0	16.5	81.0	120.9	81.9	163.1	124.9	121.0	51.3	76.0	39.3	83.2
Oct.	105.1	16.1	79.3	112.0	81.5	162.9	124.8	123.6	51.1	75.2	38.8	81.4
Weekly Figures:												
Nov. 7 ..	107.4	16.7	68.1	111.2	81.9	162.7	128.4	126.2	50.7	74.9	38.8	81.7
Nov. 14 ..	109.2	17.1	70.1	109.4	82.8	162.3	134.9	129.7	51.5	76.0	39.9	82.9
Nov. 21 ..	106.6	16.5	69.7	107.0	82.4	163.4	134.3	125.3	50.7	75.9	39.6	81.7

*High and low for year from 1929 to 1939 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Nov. 26	102.40	107.47	70.80	22.54
Nov. 25	103.65	107.78	70.88	22.64
Nov. 23	102.70	107.02	70.92	22.69
Nov. 22	103.30	107.24	71.13	22.94
Nov 21	103.28	106.18	70.72	22.59
Nov. 20	103.68	106.03	70.68	22.74
Month ago ..	101.54	100.61	68.86	21.43
Year ago ...	123.15	117.20	86.80	30.03
High 1940 ...	128.84	123.80	88.97	33.31
Low 1940	88.00	77.34	56.81	18.44

Montreal Stock Exchange Average

	10 Util.	20 Ind.	30 Cbd.	10 Pprs.	15 Golds
Nov. 26	55.4	68.5	64.1	85.67	78.11
Nov. 25	55.8	69.0	64.6	86.28	78.30
Nov. 23	55.8	69.1	64.7	87.03	77.75
Nov. 22	56.2	69.4	65.0	87.06	77.83
Nov. 21	56.2	69.8	65.3	86.41	78.05
Nov. 20	55.9	69.8	65.2	86.97	78.74
Month ago .	55.9	68.1	64.0	87.61	75.35
Year ago ..	66.6	87.2	80.3	125.37	97.12
High 1940 .	69.2	92.2	84.4	152.63	100.81
Low 1940 ..	50.7	56.0	54.7	66.44	55.16

Imp. Varnish Shares Sold

Estate Holdings in Established Company Liquidated By Offering

Public offering has been completed of 8,217 preference shares of Imperial Varnish & Colour Co., Toronto. The stock was sold at $32.50 a share carrying a bonus of one half share of common with each preference share by a group headed by Fry and Co.

Imperial Varnish & Colour is an established business organized under Ontario charter in 1899 by J. M. Sparrow, Sir Joseph Flavelle and T. F. Monypenny. The two former are now dead but Mr. Monypenny continues as president. The company's plant in Toronto and its output includes a "complete line of protective coatings for practically all uses," according to the president.

Estate Holdings

It is understood that the current offering is made necessary to liquidate substantial holdings of the company's stock in estates. Management of the company is to continue and includes the following board of directors:

T. F. MONYPENNY, president and director of sales.
G. C. McEWEN, vice-president and general manager.
E. E. SPARROW, works manager.
M. E. GOODRING, purchasing agent.
S. E. CLARK, secretary-treasurer, all of Toronto.

The new preference is entitled to a cumulative $1.50 a share dividend from Sept. 1, 1940. It participates equally with the common in any dividend distributions above $1,50 a share on the combined stocks and is callable at $30 a share. Each preference share is convertible into a common share at any time until two weeks prior to notice of redemption. The preference shares are non-voting unless dividends are two years in arrears when holders will have the right to vote and elect two fifths of the board of directors. No dividends can be paid on the common when preference dividends are in arrears or which would reduce surplus below six times annual dividend requirements on the outstanding preference or net current assets below $30 a share on the preference.

Capitalization consists of the following:

	Author.	Issued
Preference, n.p.v.	20,000	10,722
Common, n.p.v.	80,000	83,610

Balance sheet as at Aug. 31, 1940, after giving effect to present capitalization, shows cash of $185,828, more than equivalent to total current liabilities of $146,765. Total current assets are $710,489. The company shows an investment in fixed assets of $601,279 from which is deducted depreciation reserve of $373,733, leaving $227,547. Appraised value at Aug. 31, 1939 was $572,144. Total assets amount to $962,909.

Surplus Large

Earned surplus is $400,794 and capital surplus $7,950. It is stated by Mr. Monypenny that profits for the year ended Aug. 31, 1940, were equivalent to $10.18 a share on the preference and $1.73 a share on the common. This compares with $7.03 and $1,10 a share respectively for the preceding year.

Dividends paid last year totalled $35,738. The rate has been increased with the first regular quarterly payment of 37½ cents a share on the preference and 12½ cents a share on the common, both payable Dec. 1, 1940, to shareholders of record Nov. 20. Regarding dividend policy, Mr. Monypenny states:

"Our statement for the year just closed shows the effect of special war taxation for eight months only. Obviously a full year's taxation at the new rates will call for a still heavier proportion of our earnings. Under the circumstances and until such time as the full effect of the war, and particularly of war taxation, can be more accurately estimated in respect to earnings, the directors feel that by following a prudent dividend policy they will best serve the interest of the company and its shareholders. This policy will be reviewed from time to time."

Comparative earnings for recent years follow:

Years Ended Aug. 31	Net profit $	Dividend paid $
1936	32,834	25,528
1937	53,678	27,701
1938	44,972	28,584
1939	75,474	28,583
1940	109,197	35,738

Robt. Mitchell Co. Extends Warehouse

From Our Own Correspondent

MONTREAL. — Anglin-Norcross, Quebec, Ltd., has started work on the $30,000 alteration job to the Montreal warehouse at the plant of Robt. Mitchell Co. Anglin-Norcross carried out other construction at this plant earlier this year. Alterations are expected to be complete before the year end.

Guelph Carpet Hit by Taxes

1939-40 Net Higher Before Taxes But Lower After

The Guelph Carpet & Worsted Spinning Mills Ltd. in year ended Sept. 30, 1940, reported net profit equal to $1.55 per common share, after providing for taxes equal to $4.43 per common share. Earnings were equal to $2.04 per share on the common stock in the 1938-39 year.

Taxes in 1940 were 6½ times as high as in the 1939 fiscal year. Net operating profit of $234,189 in the latest fiscal year was less than double the figure for the previous 12 months.

Wool Supplies Moving Well

Commenting on the tax situation, H. Quarmby, president, stated that the lack of authoritative interpretation of the "excess" profits tax act had caused concern. Provision for taxes as shown in the accounts, however, is believed to be sufficient.

The problem of obtaining uninterrupted supplies of raw wool—a factor after the outbreak of war—appears to have been overcome. Mr. Quarmby reports supplies of wool and wool tops have come forward with remarkable regularity since the beginning of the calendar year. "Unless there is some new development," the president adds, "no difficulty is expected in this respect during the current fiscal year."

Plane Output Found Slow

(Continued from page 1)

part of the total aircraft contribution expected from Canada.

Red tape is said the chief hindrance to a full-out for Canada's aircraft industry. There appears to be an abundance of it.

"Everybody seems to be afraid of sticking his neck out," was the way one man summed up the situation. "It is difficult to get a clean-cut, quick decision. A multitude of checks, double, triple and quadruple have been set up. The result is delay in every single operation."

Too Many Authorities

In addition to the necessary surveillance of the aircraft companies themselves there are:

1—Four separate authorities concerned in the administration of aircraft contracts.

2—Three separate authorities checking costs.

3—Two separate government inspection organizations.

In some cases all of these authorities must be consulted before a single rivet can be driven.

One manufacturer showed The Post a certain intricate airplane part lying on his desk. "You can't get that in England," he said, "because they are too busy with their own requirements. It is not made in Canada. To build one type of plane we must have them. Not long ago I was offered 1,200 of them in United States on a take it or leave it basis. Before I was able to get approval for the deal from Ottawa an American manufacturer snapped up the lot."

Conflicting Standards

Manufacturers are still handicapped by two standards of measurements, British and American. Bolt sizes, screw threads, brace sizes, etc. are not the same in the two countries. On machines built or partly built in Canada for Great Britain or for the original Air Training Scheme this meant great difficulty.

The British Government insisted on their standards so that they would be able to service and repair the machines later in British shops. To play safe Canadian manufacturers ordered practically all parts in Great Britain. Then came the fall of France and chaos.

Parts Supply

The supply of British parts ceased. Canadian manufacturers who had received no encouragement up to this time naturally had not the facilities ready to turn out these things to British standards. Production came to a standstill. Had not the collapse of France released a certain number of already built training machines in the United States, The Post was told, there would have been a serious shortage last summer.

Now a Canadian supply of British standards parts is being developed but this takes time especially with machine tools as short as they are today. Actually when the first British plane orders were placed in Canada, months before the war, it is stated, certain Canadian manufacturers of suitable parts offered to develop a supply. Then they could have easily obtained the necessary machinery. But they were not encouraged. "Why bother," said the plane builders, "when we can get British inspected parts from England?"

There is more red tape over customs.

Although less than a handful of planes are being built in this country for civilian purposes, tedious and delaying customs rulings apply "as if the whole output was still pleasure and commercial craft."

It doesn't matter, The Post was told, whether the finished product goes to the Canadian or British governments, every bit of imported material going into it must first pass the customs and pay the regular duty.

If later, the machine is exported to the sorely pressed Mother Country, then there is the usual 99% drawback on the imported parts and in the meantime an army of bookkeepers have been working nights keeping tab on the various transactions involved.

And this import, The Post was assured, is a large and vital matter. Not an air engine is made in this country, all are imported. The same is largely true of instruments and of many of the other 50,000 parts that go into a fair sized bomber.

Inspector Cluttered Factories

As a result of all this red tape, several manufacturers told The Post, their factories are cluttered up with an army of inspectors, customs men and cost accountants. In a life and death machine like an airplane, it is admitted that close inspection is vital. The average airplane parts, especially a moving part, must be made with much greater accuracy than the equivalent part in an automobile. If an automobile slows down or stops, the driver is left standing in the road, not so in an airplane.

While manufacturers appear almost unanimous that many more machines could be got out of the industry than at present, solutions offered vary. Most are agreed that the Canadian and British authorities could help greatly by consolidating authority, could eliminate much of the duplication in inspection. Few see any good reason for maintaining a customs barrier, especially as practically all the finished machines go to the Canadian Government or are exported. Ottawa collects the duty, later refunds it or reimburses the manufacturer if the plane is sold to the authorities here.

Several manufacturers suggested strongly that the Government would be well advised to let each manufacturer run his own show, specializing in his own type of machine.

"The Government should stop regarding every manufacturer as a potential crook," said one man. "All that is necessary is to let us have the orders and leave us alone. If we make more money than we should, the tax people will see that it is taken away. Beyond routine inspection to make sure machines are up to specifications there is no need for this continual checking and rechecking."

Others expressed the view that if everyone was allowed to run his own show there would be too many different machines. Some declared there are too many machines at present.

They suggested first a survey of the whole industry to find out what we can do, then elimination down to a few main types. Orders would then be distributed by the Government throughout the whole industry, something after the plan of Associated Aircraft.

An airplane, The Post was told, can be broken up into quite a few pieces and each manufacturer given a piece. This is the system followed in England. It is the system now being followed with parts.

Several manufacturers interviewed by The Post were concerned regarding labor, not so much just now, but for the near future. They claimed that they were willing to use more women workers, could use up to 40%. But they declared the greater proportion of unskilled labor employed, the more necessary that remaining workers be highly skilled.

Engine Problems

Regarding aircraft engines, the general opinion among the plane manufacturers seems to be to let the present situation continue, at least not to spend too much energy on the development of an engine industry in Canada at this time. "It will take at least two years to get an engine factory started here" The Post was told and this would only give us one type.

"An airplane engine is an entirely different affair from that which powers an automobile," The Post was told, "and we can't expect motor car factories to turn them out, at least not overnight. It means an entirely new factory, new machines, new technique. Unlike the automobile engine which weighs from six to nine pounds per horsepower, that used in aircraft is light, one to one and a half pounds per horsepower. This means it must be made of light but strong alloy steels, and this agains means special machine tools."

From a practical standpoint, The Post was told, it is advisable to continue to depend largely on the United States for engines for Canadian craft as in that country we have a variety to choose from and can get almost immediate production.

Canada's War Progress

Financial and industrial developments within the Dominion since the outbreak of war are discussed in our new pamphlet entitled "Canada's War Progress".

Copy will be gladly furnished on request.

36 King St. West
Toronto
Telephone EL. 4321

Wood, Gundy & Company Limited

Market Opinions

Investment opinion in New York, influenced by the twin uncertainties of the war and domestic political matters, continues cautious this week.

* * *

Brookmire Counselor, New York—After the advance stock prices had achieved since the low levels reached last spring, it is not surprising that the market is sensitive to the kind of news that has recently come from abroad. In the week ahead, such seasonal influence as tax selling may add to market irregularity. Clients, though giving consideration to tax factors and reaction possibilities, should keep their portfolios well balanced so as to share in ultimate recovery potentialities.

* * *

Barron's, N.Y. (The Trader.)—Because of so many uncertainties born of domestic political policies, investment and speculative operations are motivated exclusively by short-term considerations. It is impossible to be sure of one's ground, to be dogmatic in opinion. Such a situation, however, simply breeds liquidity, which is rarely the precursor of a violent break. But it is still a wartime market, where earning power is capitalized low and compelling reasons for aggressive employment of capital are lacking, stock returns—when contrasted with bond yields—are overwhelmingly favorable and could readily become impelling in the event of the execution of a programme to tax issues formerly tax-exempt.

* * *

Financial World, N.Y. — Third quarter earnings statements have now appeared in number, and although allowances for the increased taxes are taking their toll, it nevertheless is evident that in most cases sufficient profits remain to furnish adequate basis for prevailing stock prices—and in numerous instances earnings are substantial enough to warrant higher valuations than those now existing. While market irregularity is to be expected from time to time, the general background continues to justify retention of selected stocks, with emphasis on issues which are paying adequate dividends from expanding earnings.

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MONTREAL

TORONTO OTTAWA SAINT JOHN MONCTON HALIFAX

Bond Markets

See Continued Strength For Bond Markets

Postponement of Next War Loan Leaves More Money Free, With Offerings Light — Little Indication of Early Loan From U. S.

Investors are optimistic that the short-term outlook at least promises firmness for bond markets. No heavy volume of new offerings is in prospect, and money still appears to be in abundance. Business continues on the upswing and promises to increase money supplies, with only the remote possibility of a quick peace likely to affect this.

Funds earmarked for the third war loan—which Finance Minister Ilsley previously has indicated would come in January—will not be needed for another six to eight months. Mr. Ilsley announces the offering is to be held off until next summer.

The early months of 1941 are now wide open for new financing. Only B. C. and Ontario face heavy maturities immediately. B. C. already has announced it will not require public funds to take care of 1941 maturities, while the recent sale of $16 millions Ontario debentures will take care of the province's Jan. 15 and Feb. 1 maturities, totalling $16.3 millions. Only other issue falling due is $15 millions provincially guaranteed Ontario Hydro bonds due March 2, which may require some public money.

* * *

War Loan for Summer

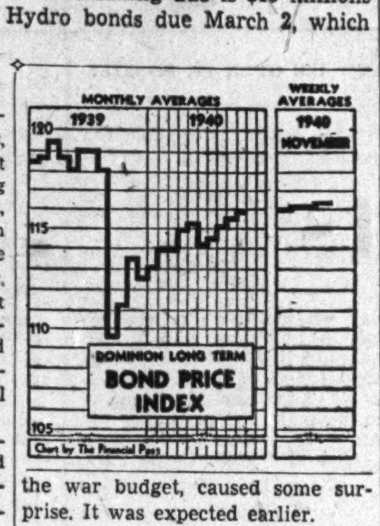
The appeal of Lord Lothian, British ambassador to the United States, for U.S. credit would be of benefit to Canada if it resulted in rescinding of the Johnson and Neutrality Acts, which bar belligerent nations from getting U.S. credit. This might be very welcome within another year, but there is no indication of great immediate need. Indications are increasing that in some way the United States will find a way to give Canada and other belligerents financial assistance.

The flurry in trading of Saskatchewan and Alberta provincial and municipal issues—caused by the proposed action on the Sirois report—has subsided. But all sections of the market remain firm. Corporation bonds have been holding well during the absorption of securities repatriated from Britain. Investment dealers report Ottawa seems to be disposing of them whenever bids are available.

* * *

Reorganize Selling Methods

The statement by Finance Minister Ilsley that the third war loan would be held up until next summer, after the war budget, caused some surprise. It was expected earlier.



Current rate of expenditure on war account is estimated at $1 billion annually. In October $81 millions was actually spent for war purposes.

One factor that detracts from the timeliness of a summer loan is the inertia that usually prevails in financial markets at that time. However, as the finance minister explained, taxpayers will then be in a position to appraise the situation in regard to new or increased taxation.

He hinted that there will not be a repetition of the methods used in floating the second war loan. Reorganization of distributing machinery is to be undertaken. It will be patterned after that used in floating the successful Victory loans of the previous war. There will be a large national organization and local bodies to drum up enthusiasm for the loan. To ensure as wide circulation as possible, the Government will issue the bonds in denominations of $50.

* * *

Unwarranted Lows

Current low levels of Canadian Government bonds in the United States seem unwarranted, in the opinion of Wood, Gundy & Co. in a current letter. The spread between these bonds and Treasury and other high bonds in the United States, the company suggests, indicates a favorable opportunity for investment in Canadian bonds.

Canadian domestic issues, it is pointed out, have shown general stability and resiliency in recovery from the two crises caused by the outbreak of war and the collapse of France. The trend in Dominion internal bonds has paralleled almost identically the course followed by Treasury bonds in the U.S.

Canada's credit position both at home and abroad is sound, and Wood, Gundy confidently expects the progressively broadening market for Canadian securities in the U.S. will soon reflect this position.

* * *

Bond Index

The D.B.S. index of long-term Dominion of Canada bonds at 116.4 for the week ended Nov. 21 was up 0.1 point from the previous week. It was 3 points higher than in the same week of last year, and up 0.3 points from the same week of last month.

DOMINION OF CANADA
Long-term Bond Index

	Weekly average Nov. 15-21	Preceding week Nov. 8-14	Weekly average year ago
Price	116.4	116.3	113.4
Yield	70.4	70.6	74.1

Bond Sales

Chilliwack, B.C.

The Royal Bank of Canada has purchased a $52,500 issue of 4% Township of Chilliwack, B.C., serial debentures maturing in 1941-50.

* * *

Newcastle, N.B.

The Town of Newcastle, N.B., has sold a $20,000 issue of 4% term debentures, dated Dec. 1 and maturing in 1960. Proceeds are for public works.

* * *

Stellarton, N.S.

The Town of Stellarton, N.S., sold privately a $10,000 issue of 4% serial debentures maturing in 1-15 years. The issue was offered at 100.50.

* * *

Grand' Mère, P.Q.

Banque Canadienne Nationale has purchased from the City of Grand' Mère, P.Q., a $53,000 issue of 4% serial debentures maturing in 1-20 years. The issue was sold at a cost to the municipality of about 4.15%.

List of tenders follows:

Banque Canadienne Nationale	98.71
Rene T. Leclerc, Inc.	98.38
L. G. Beaubien & Co.	98.11
Dominion Securities Corp.	98.00
A. E. Ames & Co.	97.39
Wood, Gundy & Co.	97.00

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FEATURES
in the December issue
THE CANADIAN CHARTERED ACCOUNTANT
Valuation of unlisted stocks for succession duty purposes
Recent changes in the operation of foreign exchange control in Canada
The report of the Sirois Commission
Trade expansion of Canada
Cost of performing a contract for government purposes
Canada's rubber industry
Published monthly. $3.00 per annum. Subscription open to all. A. H. Carr, Editor, 10 Adelaide Street East, Toronto.

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United Grain Sells Bonds

To Yield 5.23%—Proceeds For Additional Storage

Wood, Gundy & Co. reports an offering of $552,000 United Grain Growers Ltd. 4½% first mortgage sinking fund bonds "pretty well cleaned up." The offering is an additional issue of series "C" bonds dated 1937, maturing Jan. 2, 1949. An annual cumulative sinking fund is provided.

Price is 95 and accrued interest, yielding over 5.23%. Proceeds will be used to replenish working capital already expended, and to provide funds for the further construction of additional country storage space at various points throughout western Canada, involving in all a total expenditure of about $500,000. The additions will comprise about 231 elevator annexes, with capacity of about 7.5 million bushels.

Bond Interest Well Covered

Earnings in the fiscal year ended July 31, 1940, available for bond interest and depreciation, totalled $1.2 million. Annual bond interest requirements, including the new issue, will amount to about $150,175. Depreciation provision in the latest fiscal year amounted to $456,184.

During the 10 fiscal years ended July 31, 1940, funded and mortgage debts were cut in half. Latest figure of $2.5 millions is brought up to slightly over $3 millions with the new issue. Total net assets at July 31 were $7.7 millions.

The company operates about 440 country grain elevators on the prairies. Terminal elevators are located at Port Arthur and Vancouver. Shareholders are largely grain growers in the territory served, and numbered over 26,000 July 31, last.

Reorganization Approved

Under agreement with Wood, Gundy & Co. dated Nov. 12, last, United Grain Growers sold to that company the current offering for $502,320 and accrued interest, payable on or before Dec. 15, next. Under the agreement, United Grain, in anticipation of sinking fund requirements, agreed forthwith to purchase from Wood, Gundy & Co., $52,000 principal amount of the series "C" bonds for the sum of $47,320.

A plan of reorganization outlined in the recent annual report has been approved by shareholders. A special act of Parliament is awaited before the plan is finally consummated. Under the plan, present $25 par value shares will be split into one class "A" share with par value of $20 and one class "B" share with par value of $5. Class "A" shares will not carry voting rights, but will be entitled to non-cumulative preferred dividends of 5%. Class "B" shares will carry voting rights.

Saskatoon Meets Large Maturities

Saskatoon, Sask., reports gross debenture debt of $15 millions at Sept. 30, last, down $545,755 from nine months previous. Further reduction has been effected since Sept. 30, and further cuts are scheduled before Dec. 31.

Sinking fund at Sept. 30 totalled $7.3 millions, after redemption of $705,813 in debentures during nine months. Another $661,019 is to be redeemed before Dec. 31. Total reduction is $1.4 millions for the year, while next year $1.4 will again be retired. Retirements for 1941-45 and the equivalent in mill rate is shown in the following table:

Year	Maturities Due $	Equivalent to Mills
1941	1,383,158	2.7
1942	1,947,472	2.6
1943	1,776,793	2.92
1944	635,529	2.44
1945	910,962	1.43
	6,653,914	12.09

Dominion Renews Loan To Province of B. C.

British Columbia has been granted renewal of loans totalling $3.2 millions, maturing in December by Order-in-Council tabled in the Dominion House. The loans were granted under the Unemployment and Agricultural Assistance Act.

Toronto Arranges Dec. 1 Maturity

Met Partially By $5.2 Millions Bond Sale From Sinking Fund

Toronto has accepted tenders on three bond groups totalling $5.2 millions offered for sale from its sinking fund. Syndicates headed by Dominion Securities Corp. took two, while the third was distributed evenly among three dealers who all bid the same price. Proceeds from the issue go toward partially retiring $8 millions of the city's sinking fund debentures which mature Dec. 1. The maturities are payable in Canadian funds only.

Highest bid for over $3.5 millions of Toronto 5½% and 6% bonds, maturing 1941-51, was 114.78. List of bids follows:

Dominion Securities Corp. ...... Royal Securities Corp. .... Imperial Bank	114.78
Mills, Spence & Co. .... Bell, Gouinlock & Co. .... McLeod, Young, Weir &Co.	114.15
Wood, Gundy & Co. .... A. E. Ames & Co. .... Royal Bank of Canada .... Dominion Bank	114.01
Bank of Nova Scotia .... Burns Bros. & Denton .... Cochran, Murray & Co. .... Harris, Ramsay & Co. .... Midland Securities .... R. A. Daly Co.	113.523
Dyment, Anderson & Co. ...... Flemming & Co. .... J. L. Graham & Co.	113.26

Highest bid on nearly $1.1 million Ontario and Ontario Hydro-Electric Power Commission 4½%, 5%, 5½% and 6% debentures was 109.289. List of bids follows:

Dominion Securities Corp. ..... Royal Securities Corp. .... Imperial Bank	109.289
Bank of Nova Scotia .... Burns Bros. & Denton .... Cochran, Murray & Co. .... Harris, Ramsay & Co. .... Midland Securities	109.143
Wood, Gundy & Co. .... A. E. Ames & Co. .... Royal Bank .... Dominion Bank	109.128
Mills, Spence & Co. .... Bell, Gouinlock & Co. .... McLeod, Young, Weir & Co.	109.11
F. W. Kerr & Co.	109.05

An offering of $600,000 Dominion of Canada 3¼% first war loan debentures, maturing 1948-52, was distributed evenly among syndicates headed by Wood, Gundy & Co. and Dominion Securities Corp., and a third bidder, Bell, Gouinlock & Co. List of bids follows:

Wood, Gundy & Co. .... A. E. Ames & Co. .... Royal Bank .... Dominion Bank	100.625
Bell, Gouinlock & Co.	100.625
Dominion Securities Corp. ..... Royal Securities Corp. .... Imperial Bank	100.625

Dealers report that the bonds have been disposed of quickly. This follows closely the success of a recent public offering of a new city of Toronto issue for $5.7 millions, which was cleaned up in less than 24 hours.

The current sale of bonds is explained by Finance Commissioner Wilson. He points out that holdings of sinking fund investments for the Dec. 1, 1940, maturity—as well as in 1944 and 1948—are materially below requirements to provide for the redemption of sinking fund bonds maturing on those dates. During the period 1941-49, however, total sinking fund investments now held are in excess by about $5.7 millions of total sinking fund debentures maturing during the period.

Can. Canners Again Pays Participating Dividend

Canadian Canners Ltd. has declared the following dividends, payable in each case on Jan. 2, next, to shareholders of record Dec. 14:

Common—12½ cents per share; second preferred—15 cents, plus 5 cents participating dividends; first preferred—25 cents, plus 5 cents participating.

Similar distributions have been made quarterly since the payment on April 1, last.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Riordon Pulp ...	6%	1942	Dec. 31	105
Drilling Cont. ..	5½%	1943	Jan. 15	100
Eastern Car	†6%	1952	Jan. 1	105
Mississippi R. Pwr.	5%	1951	Jan. 1	105
Nan.-Dun. Util.	*5½%	1964	Jan. 2	104

†Drawn by lot $44,000.
*For sinking fund $7,000.

Stock Issues:

Stand. Steel		Pref.	Jan. 2	†50

†Plus accrued dividend.

Company Reports

Marcus Loew's Theatres

Marcus Loew's Theatres, Ltd., reports volume of business in year ended Aug. 28, last, slightly higher than in the previous 12 months. An increase of almost 100% in taxes and substantially higher provision for depreciation resulted, however, in net profit dropping $26,499 to $94,508.

Liquid position is improved, due primarily to the acquisition of $50,000 in Dominion of Canada bonds—formerly not carried. Increase in cash was almost offset by the higher provision for taxes.

The auditors note an increase from 2½% to 4% in provision for depreciation.

Annual meeting will be held in Toronto on Dec. 13.

Income and Surplus Account
Years Ended

	Aug. 28 1940 $	Aug. 30 1939 $
Net oper. profit	208,638	203,160
Less: Depreciation ...	46,788	39,606
Organ. exp. w/o ...	6,000	6,000
Executive salaries ..	9,000	9,000
Secret. & legal fees .	1,500	1,550
Income taxes	50,844	25,997
Net profit	94,508	121,007
Add: Prev. surplus ..	748,733	822,262
Less: Pref. divd. paid	91,546	194,535
Surplus forward	751,696	748,733
Earned per Share:		
Preferred	$14.45	$18.50
Paid	14.00	29.75
Common	6.50	10.03
No dividends paid.		

Working Capital

Current assets	456,932	378,700
Current liabilities	58,364	34,906
Working capital	398,568	343,794

Balance Sheet Changes

Cash	406,797	378,700
Dominion bonds	50,000	....
Prov. for taxes	49,000	27,300

Loew's London Theatres

Loew's London Theatres, Ltd., reports net profit of $7,708 for 52 weeks ended Aug. 29, last, down $4,108 from the previous 53 weeks period. Revenues showed a good increase, but were largely offset by higher costs—principally of film rentals. Provision for depreciation was almost doubled and for income taxes more than doubled, so the net result was less favorable than in the 1938-39 period.

Working capital at $46,591 showed an increase of $16,558.

The auditors note the increase in depreciation was from 1¼% to 4%.

The annual meeting has been called for Toronto on Dec. 13.

Income and Surplus Account

	52 wks. ended Aug. 29 1940 $	53 wks. ended Aug. 31 1939 $
Theatre revenue:		
Receipts	158,792	147,998
Sundry	395	269
	159,187	148,267
Less: Theatre exp. ...	24,795	27,044
Salaries, wages	26,927	28,159
Film rentals	57,260	50,012
Net theatre rev.	50,205	43,052
Add: Other inc.	617	842
Total revenue	50,822	43,894
Less: Taxes & ins. ...	12,339	12,446
General exp.	3,772	3,689
President's remun. .	500	500
Repairs & renews. .	1,017	475
Net earnings	33,194	26,784
Less: Depreciation ...	15,956	8,181
Renovations w/o ..	3,015	3,015
Movietone w/o	1,306	1,306
Income tax	5,209	2,467
Net profit	7,708	11,816
Less: Pref. divds.	11,809	5,905
Deficit for year	4,101	*5,911
Less: Prev. surplus ..	13,224	6,633
Prof. on assets sale .	217	680
Surplus forward	9,339	13,224
*Surplus.		
Earnings per Share:		
Preferred	0.23	0.35
Paid	0.35	0.17½

Working Capital

Current assets	53,111	38,029
Current liabilities	6,520	7,996
	46,591	30,033

Companies Act Sidestepped By New Interpretation

From Our Own Correspondent

MONTREAL. — An increasing number of Dominion corporations are taking advantage of the loose wording of the Companies Act to side-step that section of the statute calling for itemization of the amounts paid for counsel fees, directors' fees and executive remuneration, The Financial Post is informed. The intent of the Act was that these items should be shown separately, but several companies of late have brought out financial statements showing only an aggregate total for all three items.

In the 1935 amendment to the Companies Act it was provided that the statements of income and expenditure:

"also show separately the total of the amount paid as salaries, bonuses, fees or other remuneration to the counsel, solicitors, or other legal advisers of the company, and also to the executive officers of the company including the managing director, if any, of the company, and any other director who holds any salaried employment or office of the company and who devotes substantially the whole of his time to the business of the company or its subsidiaries."

The interpretation placed by some companies (with approval of their auditors) is that this section permits grouping the three items together. This was not the intent of the Government when amending the Act. Moreover the majority of Dominion corporations have interpreted the Act to mean that directors' fees, counsel fees and executive remuneration should be shown separately in profit and loss statements.

Enquiry among chartered accountants brings forth the fact that to date the Department of the Secretary of State has not disapproved of the new method of making up the profit and loss statement.

Heavy Maturities Met by Winnipeg

Retires $6.4 Millions—$4.1 Millions More Due in 1941

Maturities totalling nearly $6.4 millions, met by Winnipeg during 1940, were the heaviest since 1926 and by a wide margin the second largest retired since 1915. Maturities met in 1926 totalled $6.8 millions. The figures are released by the sinking fund trustees.

The years 1941-46 will be an exceptionally heavy period of maturity, with $19.5 millions—nearly a third of total outstanding debt of $63.4 millions—coming due. Heaviest years are 1941, with $4.1 millions; and 1946, with $6.4 millions.

Holds Dominion Bonds

Total of $8.1 millions or 22% of the total of $36.7 millions in the sinking fund was in Dominion of Canada bonds on Dec. 31, last. Another $5.5 millions or 15% is in provincial bonds—principally of the three prairie provinces. Total of $13.7 millions, or 40% of the total, is in the city's own securities. A break-down of the complete portfolio is as follows:

Investments in Sinking Fund
At. Dec. 31, 1939

	$
Dominion of Canada	8,056,816
Province of Manitoba	1,249,873
Province of Saskatchewan	1,609,948
Province of Alberta	1,044,781
Province of Ontario	742,654
Province of B. C.	781,283
Province of N. B.	39,250
Province of N. S.	50,000
Total government securities ..	13,574,604
City of Winnipeg securities ...	13,682,327
Other Canadian cities	1,012,683
Greater Wpg. water dist.	3,363,376
Misc. securities	417,008
Accrued interest	461,711
Cash in bank	1,578,928
Funds invested by School District No. 1	2,575,225
Total sinking fund	36,665,863

Offering Bonds Of Quebec City

$2.3 Millions of Serial and Term Debentures Offered

From Our Own Correspondent

MONTREAL.—City of Quebec is offering $2.3 millions of debentures comprised of: $1,285,800 of 3%-4% serial debentures, maturing Nov. 1, 1941-49, and $1,002,400 of 4¼%, 10-year debentures. The bonds are dated Nov. 1, 1940. Syndicate offering the bonds is headed by L. G. Beaubien & Co.

Proceeds of the issue will be used for: Refunding of unamortized balance of two bond maturities; financing of capital expenditures; funding of consolidated tax arrears, part of 1939-40 deficit and direct relief and miscellaneous expenses.

Serial debentures are offered at prices to yield from 3% to 4.14% and the term issue is offered at par plus accrued interest to yield 4.25%.

MACASSA EXTRA

An extra dividend of 3 cents a share has been declared by Macassa Mines, payable along with the company's regular quarterly dividend of 8 cents per share, on Dec. 16, 1940, to shareholders of record Nov. 30.

Foreign Exchange

During the week Nov. 19 to Nov. 25 there was no change in the quotation to the United States dollar at Toronto and Montreal, which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Nov. 25

Australia ...	3.58	N. Zealand .	3.61
India	.3369	S. Africa ...	4.47
Japan	.2605	Hong Kong .	.2653

Bond Tenders

5 p.m., Dec. 4, Shawinigan Falls, P.Q.—$109,000, 4%, dated Nov. 1, 1940, redeemable serially from Nov. 1, 1946, to Nov. 1, 1955. A. J. Meunier, sec. treas.

Nov. 28, Canada Treasury Bills—$40,000,000, dated Nov. 29, 1940, due Feb. 28, 1941.

CLIFTON C. CROSS and Company
INVESTMENT SECURITIES
BRANCHES: WINNIPEG REGINA SASKATOON VANCOUVER
HEAD OFFICE AT CALGARY, ALBERTA
Specializing in
ROYALTIES ON CANADIAN OIL PRODUCTION
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Most recent completion
INQUIRE ABOUT OUR — ATLAS AND MAJOR — WELLS NOW DRILLING
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WINSTON CHURCHILL
Biography by Rene Kraus
Everyone wants to read this illuminating biography of Britain's man of the hour—a book which inspires both interest and confidence. Illustrated. $4.00.
THE BATTLE OF THE PLATE
by Cmdr. A. B. Campbell.
The epic of the Graf Spee and Altmark, graphically told by an authority on naval matters. Illustrated. $2.50
EYE WITNESS
edited by R. S. Benjamin. $3.50
Members of the Overseas Press Club—which include Eugene Lyons and Amy Vanderbilt—tell in a dramatic way how they "got the story" on various incredible assignments.
OUT OF THE NIGHT
by Jan Valtin.
The most complete statement of the grim realities of Communism that has yet been written; also a magnificently exciting story. $4.50.
YANKEE REPORTER
by S. Burton Heath.
The 1940 Pulitzer Prize Winner for Distinguished Reporting writes a candid and lively account of his life. $4.00.
PAGEANT OF ADVENTURE
by Lowell Thomas.
Today's ace radio news commentator has collected over 200 gripping action vignettes—and the book is autographed by the author. $3.00.
THE WHITE CLIFFS
by Alice Duer Miller. $1.35.
"This romantic short novel in verse is a loving, understanding, deeply moving salute to England. — Noel Coward.
LONGMANS GREEN

COTTON FABRICS AND YARNS
COLONIAL Sheets and Pillow Slips
MAGOG Fastest Fabrics
DOMINION TEXTILE COMPANY, LIMITED
THE TEXTILE BUILDING, VICTORIA SQUARE, MONTREAL

New Issue
$2,288,200
CITY OF QUEBEC
Non-callable Serial Bonds
Dated November 1, 1940
$1,285,800 3%-4% One to Nine-Year Bonds
$1,002,400 4¼% Ten-Year Bonds
Principal and semi-annual interest (May 1 and November 1) payable in lawful money of Canada in Quebec, Montreal and Toronto. Registration as to principal only.
Denominations: $1,000, $500 and $100.
Legal opinion: Mr. Benoit Pelletier, for the City,
Messrs. Dupré, Gagnon, de Billy, Prévost & Home, Quebec, for the Selling Agents.
Legal Investment for Trustee Funds in the Province of Quebec and for Funds of Insurance Companies registered under the Canadian and British Insurance Companies' Act, 1932.
Contracted under by-laws Nos. 430-9, this loan has been duly approved by the necessary authorities and constitutes a direct obligation of the City.
The present issue has the following objects: the refunding of the unamortized balance of two bond maturities; the financing of capital expenditures; the funding of consolidated tax arrears, part of 1939-40 deficit, City's share of direct relief and miscellaneous expenses.
Descriptive circular will be forwarded upon request
Subject to prior sale and allotment, for delivery if, as and when issued and received by us, and subject to the approval of Counsel, we offer the following bonds, on behalf of the City, at the undernoted prices:

Interest Rate	Maturity (November 1)	Amount	Price (plus accrued interest)	Approximate Yield
3%	1941	$ 222,600	100.00	3.00%
3%	1942	228,200	100.00	3.00%
3¼%	1943	234,100	100.00	3.25%
3½%	1944	124,200	100.00	3.50%
3¾%	1945	127,100	100.00	3.75%
4%	1946	84,400	100.00	4.00%
4%	1947	86,300	99.75	4.04%
4%	1948	88,400	99.50	4.07%
4%	1949	90,500	99.00	4.14%
4¼%	1950	1,002,400	100.00	4.25%

It is expected that interim certificates will be ready for delivery on or about December 3.

L. G. Beaubien & Co., Limited
Banque Canadienne Nationale — Wood, Gundy & Co., Limited — The Provincial Bank of Canada
Clément, Guimont, Inc. — Lagueux & DesRochers, Limitée — Dubé, Leblond & Cie, Inc.
Nesbitt, Thomson & Company, Limited — René T. Leclerc, Inc. — Savard, Hodgson & Cie, Inc.
La Corporation de Prêts de Québec — J. E. Laflamme, Limitée — Garneau, Boulanger, Limitée
J. C. Boulet, Limitée — Royal Securities Corporation, Limited — Desjardins, Couture, Inc.
General Finance Company, Inc. — Crédit Anglo-Français, Limitée — Hamel, Fugère & Cie, Limitée
Jos. Morency, Limitée — W. C. Pitfield & Co., Ltd. — Greenshields & Co., Inc.
Ross Bros. & Co., Ltd. — R. A. Daly & Co., Ltd. — Société de Placements, Inc.
Collier, Norris & Henderson, Limited — McTaggart, Hannaford, Birks & Gordon, Limited
Paul Gonthier & Cie, Limitée
This advertisement is published on behalf of the City of Quebec and is based upon official information.

The Editorial Page . .

Sirois Report Not Cure-all

Adoption of a new federal-provincial deal along the lines of the Sirois report is not only desirable but essential to furtherance of the war effort. The unanimity of opinion on this point is noteworthy.

There is, however, a tendency to look upon the report as a cure-all for our troubles. No greater mistake could be made.

The report recommends debts of the provinces should be assumed by the Dominion; assumption by the Dominion of the whole unemployment relief; grants-in-aid to establish a uniform standard of public services throughout Canada and that the whole problem of transportation should be studied, as involving, in present circumstances, grave dangers to the solvency of the public authorities. In return the Dominion is to receive the sole right to certain forms of national taxation.

When the report is implemented, many of the more pressing problems of the nine provinces will be shifted to the already over-burdened shoulders of the Dominion. Unemployment, however, will still remain a desperate threat to the existence of the nation, relieved for the moment by war activities.

The study of the transportation problem will find, as all the previous studies have found, that we have more railway services than we need.

Those that believe we can make the country rich by becoming another nation of hotel-keepers like the Swiss, and the communities which have lost railway services, will demand our highways be extended and improved.

In essence, adoption of the excellent Sirois report provides an intelligent method of pooling all the financial problems of our public authorities into one gigantic problem. The same eleven million people will still owe the same total of public debt. Little will have been done to prevent a further increase in it. There is the grave risk, if not the certainty, that it will continue to grow faster than ever—quite apart from the war.

To repeat, the report is an excellent one. It provides a basis for immediate action.

But even to adopt it would be worse than useless if we were to stop there and not provide ourselves with a public policy of thrift, of realism, of attempts to learn from the lessons of the past how we got into the present mess; of determined resolution to avoid those mistakes in the future.

Our Platform For Canada

1. Strengthening cabinet leadership by drawing on Canada's best executive brainpower irrespective of political considerations.

2. An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.

3. Appointment of non-political industrial co-ordinator with complete authority to direct procurement of munitions and supply.

4. Pay-as-we-go policy, in so far as consistent with "total" war. Elimination of public and private waste.

5. A national programme for post-war employment and relief problems, along lines of Sirois report.

Winning the war has become the focal point for national and personal effort in Canada. This requires full mobilization of the nation's material and spiritual resources.

To the fullest degree this should be obtained by individual effort, freely made.

Strong national leadership will inspire service and sacrifice that will reduce the need for regimentation and compulsion.

Counting St. Lawrence Costs

With Franklin D. Roosevelt back for another four years, it is likely that there will be an end to talk and a beginning of action in the development of St. Lawrence power.

Already U. S. army engineers are busy on preliminary studies looking toward a joint power development for "defense" purposes. Most of this work has already been done on the Canadian side by the Ontario Hydro-Electric Power Commission.

It has been obvious for some time that power has been replacing navigation as the most important plum in the seaway pudding. Defense needs have given Mr. Roosevelt an opportunity to officially switch the emphasis, and achieve what has long been very near to his heart, namely a huge power development in this area. It will be surprising if any effective American opposition now develops to a joint power programme on this basis, even though there is no expectation that a single horsepower of electric energy from this area will be available before the war's end.

If an undertaking for power alone is finished or nearing completion after the war, both governments will no doubt be pressed to tackle the navigation job as a means of taking up unemployment slack. Already Mr. Roosevelt has intimated that the present programme is "for both navigation and power."

It would be easy for Canadians to be lulled into a false sense of "power" security over this agreement. Here are some important questions that still remain unanswered:

What power construction will still have to be done to provide power for the war emergency? How costly and extensive will this additional work be? How will it be financed? Will public money have to be forthcoming to finance large power undertakings apart from the St. Lawrence?

Also, if St. Lawrence power is not available until the end of the war may Ontario not find herself with over a million horsepower of electric energy on her hands at a time when this country will be trying to take in post-war slack?

If Ontario Hydro-Electric Power Commission were paying for the project entirely it would be the Commission and its power customers who alone would have to worry about this problem. But as yet there is no knowledge as to how the St. Lawrence project is to be financed and to what extent Canadian taxpayers will be involved. What portion of the cost, for example, may Canada be asked to bear as its share of the works chargeable to navigation? What is Canada's present commitment in respect of navigation?

* * *

One definite result of the new agreement is that it confirms Ontario's right to divert purely Canadian water into the Great Lakes system and withdraw an equivalent amount at Niagara for power purposes. It may also reopen the Niagara scenic control and water diversion programme which the U. S. Senate has pigeonholed for 10 years. These are really matters which Canada should have insisted on clearing up quite apart from the St. Lawrence power agreement.

Now the whole question has been tied together. We are embarking on a programme which would seem to lead inevitably, if not directly, to the development of navigation as well as power.

There is need for a very close study and enlightenment as to the real and implied "burden and advantage" which Canada can expect will result.

Industry and Joint Defense

Little has been heard recently about the work of the Permanent Joint Defense Board.

Nothing has been heard about dovetailing the industrial capacity of each country into the joint military programme.

When the board was appointed last August one of its important responsibilities was to study and recommend in respect of "supply." In addition to formulating joint policy for military, naval and air defense, the board was to find out how best the weapons of defense, our machinery, raw materials and the like, could be used for the common good.

Apparently this part of the board's work has either been neglected or overlooked. As far as is known, the advice and views of competent industrialists, men who are actively busy with procurement in each country, have not been sought. No representative of industry or of "supply" has as yet been named to the board.

If Canada and the United States are to effectively cope with joint defense problems it is imperative that each country make the best possible use of its resources and plant equipment, labor supply, machinery, etc. One specific example of what can be accomplished is the way in which three countries worked out plans for a standardized Anglo-U. S.-Canadian cruiser tank with important savings and gains. This work was done outside the Permanent Joint Defense Board and largely as a result of direct negotiations between the U. K. and U. S. governments.

Some evidence that the Permanent Joint Defense Board was grappling with this problem of "supply" is overdue. It is an essential part of any effective joint defense effort by the two countries.

Why have no competent industrial or supply chiefs been appointed as yet to the board?

Not the Highest Service

"OTTAWA, Nov. 22 (CP),—Munitions Minister Howe told the House of Commons today a meeting of the Board of Governors of the Canadian Broadcasting Corporation next week would consider the situation regarding Transradio News Service as disclosed by a White Paper issued by the Dies Committee on Un-American Activities at Washington. . ."

There is almost a bit of not-too-subtle sarcasm in that Canadian Press despatch about one of the responsibilities of Canada's "munitions minister."

The democratic world is at war. Canada is called upon to become one of the major arsenals of that democratic world. Our whole industrial machine has to be rebuilt. Workers have to be trained. Materials which are still locked in nature's storehouse have to be assembled. Billions of dollars of war materials have to be made. It is a 48-hours-a-day job for the man who heads up the work.

And yet the Munitions Minister has to spend time looking into some matter relating to radio and news services; has to take time to tell Parliament all about it.

Why does Mr. Howe cling to these jobs, so many other jobs, so secondary in importance to his biggest job of all the jobs at Ottawa—munitions?

Even the munitions job is a double job. It has two distinct divisions. One is the job of policy; a job for a minister who is a member of the War Cabinet.

The other is the job of administration, of execution. It is a job for a businessman or industrialist.

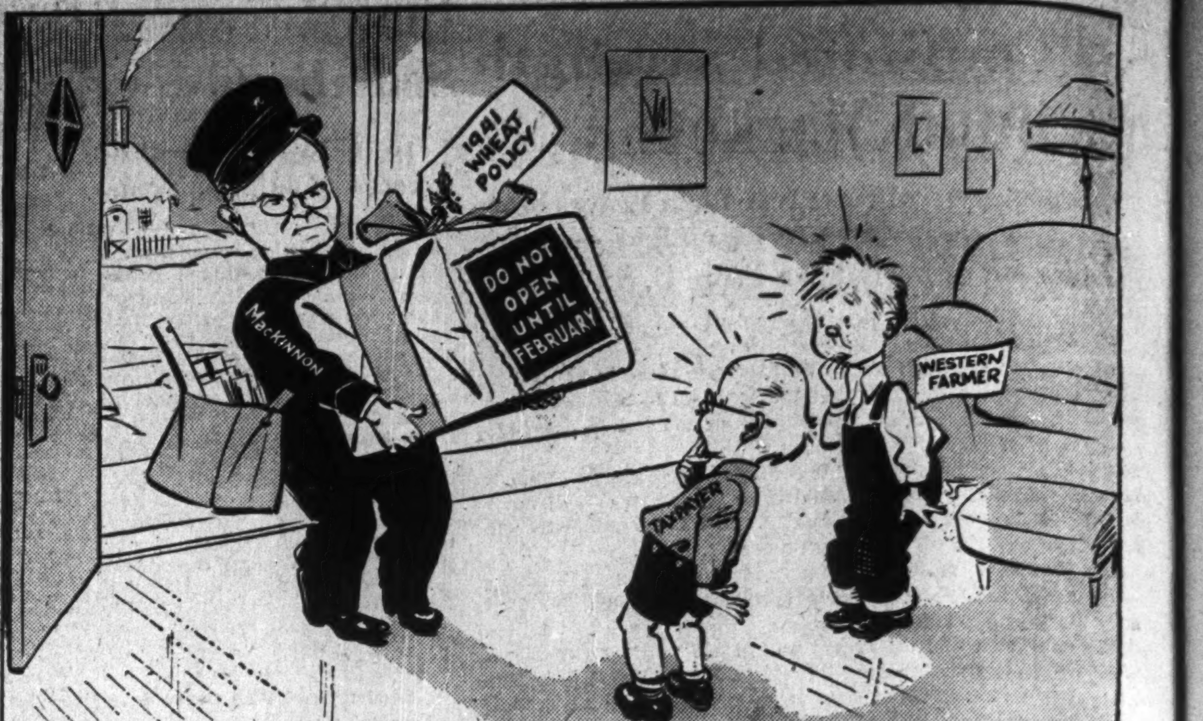
Not only does Mr. Howe insist upon being boss of radio, boss of air transport, of civil aviation, of meteorological services, but he also insists upon being policy-maker and executive chief of the munitions programme.

Mr. Howe is a sensible man. But his actions today do not make sense. They may be based upon the highest motives, unselfish devotion, patriotism, a desire to be of the utmost help in an hour of crisis. But the man who attempts more than any man can handle well is not rendering the highest service, no matter what his motives.

Editorials in Brief

Decision of the Alberta "social credit" caucus to renew at Ottawa their application for a provincial bank charter will be viewed with impatience by the rest of Canada says Calgary Herald.

Nothing has happened to alter the situation since the last session of Parliament when the Commons committee threw the bill out on the grounds that: "The subject matter of the bill is such that it ought not to be enacted."



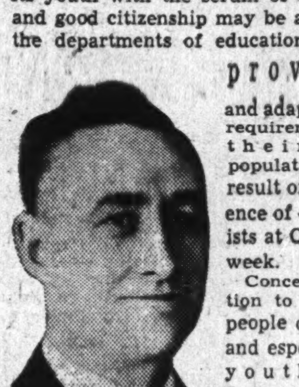
WHY CAN'T WE OPEN IT, POSTIE?

—Cartoon by Grassick.

Post-Scripts . . . .

Prescription for Canada

New Brunswick's plan to inoculate its youth with the serum of democracy and good citizenship may be adopted by the departments of education of other provinces and adapted to the requirements of their various populations as a result of a conference of educationists at Ottawa last week.



DR. C. H. BLAKENY

Concerted action to make the people of Canada, and especially the youth of this Dominion, democracy-conscious in an effort to ensure that democracy will survive in this country during the war and in the post-war years, is the prescription of Hon. Dr. Charles Henford Blakeny, forceful 52-year-old minister of education, federal and municipal relations in the New Brunswick Government.

"One by one the lights of democracy in Europe have gone out. Today England and Greece stand alone as the guardians of the principles of freedom. We in Canada must keep the lights burning lest we, too, lose the heritage of freedom," Dr. Blakeny said in announcing that he had called a meeting of education leaders of the nine provinces and Newfoundland to set up a committee "to make the principles of democracy more widely understood and the value of freedom more appreciated."

* * *

Dr. Blakeny (whose doctorate is honorary—an LL.D. bestowed by the University of New Brunswick last spring) brought to the ministry of education, federal and municipal relations no great experience in educational matters, but a thorough practical knowledge of the working of democratic government in the municipal and provincial fields.

Born at Moncton, N.B., on Dec. 2, 1888, he was apprenticed with The Moncton Transcript when he was 14, as a printer's devil. At 20 "Ford" Blakeny was a journeyman printer and had developed a decided yen for education and the law. He attended Mount Allison Academy at Sackville, N.B., and then spent four years at Mount Allison University, emerging with a B. A.

Following his graduation he abandoned plans to study law and instead entered the coal and ice business of his father. The business, incorporated as Blakeny & Son, Ltd., with C. H. Blakeny as secretary-treasurer, expanded into hardware, building supplies and even water transportation.

* * *

His political career began when he served several terms as a member of the Moncton City Council. He was mayor of Moncton in 1929 and again from 1931 to 1934. After a year as secretary of the Moncton Board of Trade he was chosen president of that body in 1927 and 1928, and president of the Maritime Board of Trade in 1930.

In the general provincial election of 1935, which produced a Liberal landslide, Dr. Blakeny was sent to the Legislature to represent Moncton. In 1939 he was named Speaker of the House and later entered the government of former Premier A. A. Dysart as minister of education, federal and municipal relations. He retained that portfolio when Attorney-General J. B. McNair succeeded Dr. Dysart as premier.

His first major move as minister was to revamp the municipal relations branch in an effort to make it more effective in a work which he contends is of paramount importance: helping the municipalities of the province to put their affairs on a sound financial basis.

But Dr. Blakeny recognized that the education branch of his department was the bureau of government under his administration which deserved the greatest attention. He knew little of education from the educationist's viewpoint, but he set out to learn.

* * *

At first hesitant about some of the innovations which were being made to remodel New Brunswick's antiquated education system, Dr. Blakeny soon had facts presented to him which resulted in his present determination to speed the reorganization programme. Minister of education in a province which has more illiterates per unit population than any other segment of this Dominion, Dr. Blakeny became convinced that only by providing vastly improved educational facilities for the people could this province hope to keep pace with the rest of Canada in economic, political and social development.

A forceful speaker, able to hold his own in any rational argument, Dr. Blakeny defended his department's programme in cabinet councils and in the House so well that there was little stinting done on the appropriation for education.

* * *

And now, with the war over a year old, he believes is the psychological time to focus the attention of Canadians, young and old, but especially the youth, on the advantages democracy possesses over totalitarianism.

He conceived a plan to make New Brunswickers democracy-conscious, through the dissemination of information through schools, study clubs, adult education groups, public lectures, radio addresses, the press and moving pictures. He outlined that plan at a meeting of Maritime educationists in September. They approved it, and out of that meeting grew this week's conference at Ottawa.

"Unless we can create in Canada a complete understanding of our privileges and responsibilities as a free people, and unless we can create an economic and political state worthy of men who are giving their lives in the defense of freedom, then we shall have failed . . . . I believe there is a keen desire in all parts of Canada to have some plan adopted that will better educate our people, principally our school children, in the proper understanding of the reasons why we are spending our blood and treasure in the present conflict," he declared.

* * *

Stop Me If . . . .

Believing he could be of some service to his country a senior executive of an important Canadian financial institution applied recently to Ottawa for special work in the Royal Canadian Navy.

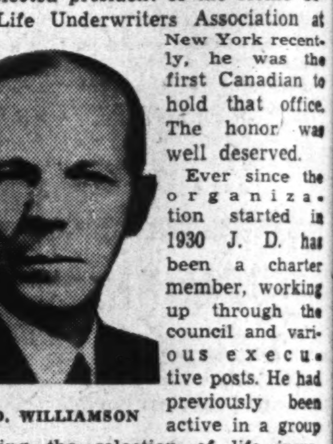
He reported that he had been a Gold Medallist in Mathematics, was a member of the Ontario Bar, had many years experience in a high executive responsibility, etc.

His application was acknowledged by Ottawa with one cryptic comment:

"Please send us your matriculation certificate."

First Canadian President

When John Dudley Williamson, actuary of the Canada Life Assurance Co., was elected president of the Home Office Life Underwriters Association at New York recently, he was the first Canadian to hold that office. The honor was well deserved.



J. D. WILLIAMSON

Ever since the organization started in 1930 J. D. has been a charter member, working up through the council and various executive posts. He had previously been active in a group studying the selection of life insurance risks. This eventually developed into an association which includes head office officials in Canada and the U. S. who are interested in the selection of risks, many actuaries naturally being among them.

Mr. Williamson was elected a Fellow of the American Institute of Actuaries about the same time as he was appointed president of H. O. L. U. A.

* * *

It was largely due to the late Thomas Bradshaw, president of the North American Life, that Mr. Williamson became an actuary. Born near Burlington, Ont., he attended Hamilton Collegiate Institute and developed a flair for mathematics. He entered the class of 1910 in Mathematics and Physics at the U. of T. There as a student of Professor M. A. MacKenzie his interest was directed toward actuarial science. He was not quite sure about an actuarial career.

He went to see Mr. Bradshaw, who at that time was actuary of the Imperial Life. Mr. Bradshaw sold him the actuarial profession so well as to leave no doubt in his mind. In 1910, on graduation from Varsity, he joined the actuarial department of the Canada Life.

In 1922 he was sent to the British Isles branch as actuary. The executive decided to bring him back in 1923. He has been in Toronto ever since.

In 1924 he passed his final examinations and received the degree of Fellow of the Actuarial Society. At the same time he was appointed assistant actuary of the Canada Life. In 1938 he was appointed actuary, a position to which J. G. Beatty was appointed at the same time. L. K. File is chief actuary of the company.

Last year Mr. Williamson was president of the Life Insurance Institute of Canada. For a number of years before that he had been active in the educational work of the Institute.

Mr. Williamson enjoys a good game of bridge and also plays golf. He is a member of York Downs Golf Club, where he has had the distinction of making a hole in one.

In 1922 he married Marie Peterkin of Toronto, a B. A. of Toronto University. They have two children, a boy and a girl, Peter and Mary. He and his wife have taken into their home two war guests, distant relatives brought out under the university scheme, boys of 8 and 11 years.

Other People's Views . . . .

The Canadian Editorial of the Week

To Ease Canada's Pack

Vancouver Province

What is the essential question raised in the Rowell-Sirois report which is now to be considered in a conference between the Dominion and the provinces? There is a general consensus of opinion in Canada that the recommendations are generally good, calculated to improve the practical business of government in Canada. It remains to ask whether it is wise and practical to attempt to realize these recommendations while the country is at war.

Professor Angus of the University of British Columbia, a member of the commission, gave an answer to this question the other day. In sum it went like this:

A man (Canada) is carrying a load (the present setup of government). It is a badly adjusted load, so badly adjusted that the man finds an increasing difficulty in carrying his burden. It is suggested (the commission's recommendations) that the load can be adjusted in certain ways, so that it will be easier to carry.

Then, while the man is considering this, it suddenly happens to him that he has to carry a rifle as well. The argument is that this is all the more reason, as he stoops to pick up his rifle, that he should adjust the rest of his pack, as well as he can, as far as it is practical and possible, so that he can carry his rifle better and so that he can be free to use it in the defense of his life and his family and his possessions.

Is not that a good answer? And if not, why not?

* * *

The Mail-box

Rent Control and Property Rights

Editor, The Financial Post,

The Order No. 7 of the Maritime Prices and Trade Board made on Sept. 24 last, fixing maximum rentals which may be charged for residential accommodation in certain designated areas contains a serious threat to the underlying principles of our democracy. The most important of those principles, not always recognized but inherent in the very fabric of democracy, has always been freedom from confiscation and security of property rights.

The order in question denies the right of owners of rented residential accommodation to any rent higher than that payable on Jan. 2, 1940, or, if there was then no lease, to any rent higher than that payable under the latest lease in 1939, or, failing such a standard, to any rent higher than that allowed by the Rentals Administrator. The Administrator has power under "special circumstances" to vary the maximum rental. The order makes no allowance for the fact that rentals in some of the areas designated were at ruinously low levels on Jan. 2.

Strong representations have been made to the Board that the Order should recognize the right of owners to a moderate return after payment of carrying and operating charges and an allowance for depreciation. So far the Board has omitted to recognize that principle. All the publicity emanating from the Board suggests only that complaints are being received from tenants. In fact a number of representations have been made on behalf of owners who are denied an adequate return. The Rentals Administrator has not shown any disposition to regard operating losses as justifying increases of rental under the head of "special circumstances." His decisions are not open to review.

This order is confiscatory in its effect on property owners, few of whom have in the depressed years been able to get a reasonable return on their investments in residential property. It grinds them between the millstones of rent restriction and heavily increased municipal taxes. English rental control, which is offered by the Board as a precedent, has no such effect, because English local rates are borne in the first instance by the tenant and cannot in any event be realized upon either by tax sale or by action of debt.

Beyond that the order violates a principle recognized by the Board in every order heretofore made by it in regard to the sale of commodities: namely, that the Board will not require business to be carried on at a loss. It is at variance from the principles of the Income Tax and Excess Profits Tax Acts which both allow the taxpayer a substantial minimum benefit from his investment.

The inevitable results of persistence in refusal to allow fair returns on landed investments will be a further weakening of residential property values and of mortgage credit, a further curtailment of the inducement to build new houses, an acceleration of the drift toward totalitarianism, and the confiscation of existing property rights. These are well to the fore among the things against which we now wage the most terrible war of history.

The order should clearly be amended to recognize the cardinal principle of a right to a basic net return on some reasonable scale and a right to appeal from arbitrary decisions of the Administrator. If the demand for residential accommodation does not raise rents to such a level there is no justification for rent control. Autocratic interference with economic forces is no product of democracy. Both common sense and fair play require such an amendment.

H. E. MANNING.

Pres., Ontario Property Owners Assoc., Toronto.

* * *

Installment Selling

Editor, The Financial Post:

The present time seems very opportune to offer a suggestion which appears, at least to the writer, one which has been carefully sidestepped not only by the Government but also by your own publication.

It is the prohibition of installment selling.

You have consistently voiced the opinion that consideration should now be given not only to our war effort, which will approach the straining point both for men and materials within the next 12 months and the financing of this tremendous expenditure, but also to laying sound plans for the post-war period as yet only in the dim future.

Can you tell me of a factor which pyramids demand, in times of full employment, or which causes more disturbances when the temporary demand has flooded the market and employment begins to slacken than this same mortgaging of their future earnings by many thousands of installment buyers?

Surely during the present, when, according to your own and the Government's investigations, employment is rapidly reaching a peak, it would seem to be a national duty for us all to live economically and save our funds to prosecute our war effort and not to countenance the pledging of future earnings to provide, in many cases, for extravagances.

I feel that a fair share of the blame should be attributed to installment selling for the false boom of 1927-1929 and that this resulted in the depression which followed, reaching greater depths than it otherwise would have reached.

No country, in my opinion, can build up a population with good backbone by encouraging unthrifty habits and at the same time our politicians take their cue from the population.

My personal experience has been that those looking always for the so-called easy way are the ones too lazy or indifferent to be concerned with the actions (usually extravagant) of our representatives in Parliament and they are greatly influenced by smooth-tongued orators full only of vague promises.

During the 1914-1918 war we did not have this evil of installment buying to contend with except in a very minor way.

Now we have the radio and the newspapers full of it.

We **don't** want inflation.

We **don't** want our manufacturing plants, particularly those using metals, to compete with our munition plants for men and materials.

We **do** want a cushion for general business and employment for the post-war period.

We **do** want plenty of funds available, at low rates, for our war effort.

As I see it, installment selling has no place in our present picture.

P. M. BYAM.

Toronto.

* * *

Toronto Hydro and the War

Editor, The Financial Post:

I was amazed to read in the papers this week that the Toronto Hydro-Electric System, with an income, from the sale of electricity, of \$13,106,203, paid total taxes of only \$39,378, while the Consumers' Gas Co., with gas sales of \$5,285,786, paid the huge sum of \$646,-498 (Dominion Income and Excess Profits tax and Ontario Corporation tax). Also that for every dollar received from the sale of gas, 12.2 cents was paid to the taxing authorities, in comparison with three tenths of one cent on every dollar of revenue received by the Toronto Hydro-Electric System.

I suggest that this state of affairs should be brought to the attention of the Government at Ottawa immediately, as private individuals' incomes are to be taxed from 50% to 500% higher for 1940. I also suggest that the great Toronto Hydro-Electric System is not doing its part to win the war.

F. G. LOGAN.

Toronto.

* * *

The Truth About Rich Men

Editor, The Financial Post:

You suggest under this heading that dollar-a-year men are devoting their time freely to public service. Unfortunately "dollar-a-year men" is a misleading term, for most of these men are in the pay of corporations and continue to draw large salaries.

According to your arguments elsewhere, if the companies cut off the salaries of these men the Government would take practically the whole of the savings in taxes, so that, indirectly, the Government is paying practically the whole of the salaries of the so-called dollar-a-year men!

C. A ASHLEY.

Toronto.

* * *

Sayings of the Week

"We hear that the press molds public opinion. I sometimes think that it hammers it into shape." — *Hon. G. Howard Ferguson.*

* * *

"Bureaucracy has little of the leavening influence of finance, trade or education." *Harold A. Innis.*

* * *

"Our people do not mind being told the worst, but they resent anything in the nature of soothing statements which are not borne out by events."—*Prime Minister Churchill.*

* * *

"The day will come when America's Liberty Bell, with a tongue that yet speaks after its age-long silence, will join the peal of the Carillon at Ottawa, and the deep implacable tone of Big Ben, to ring the knell of tyranny."—*Leonard W. Brockington, K.C.*

* * *

"The only answer to total war is total defense."—*Harriet Elliott, member U. S. National Advisory Defense Council.*

The Financial Post

Member Audit Bureau of Circulations

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Week in Business

Merchants Preparing For Big Xmas Trade

Best in Decade Expected — New Employment Creates Huge Volume of New Purchasing Power — But Farmers Do Not Share

Canadian merchants are preparing for the best Christmas trade in the last ten years, quite likely the best since the boom year of 1929. The reason, of course, is the immense gain in employment in the last year and especially so in the last six months.

Estimates from Ottawa report that more than half a million Canadians have found employment since the beginning of the war. Thousands of families, who a year ago, were sitting at home with hands folded and dependent on meagre relief cheques for their food and clothing, are now self respecting citizens with a steady income.

The net result has been a gain in the sale of consumer goods. Indices confirm this gain. Carloadings, despite a virtual embargo on grain movements, are up nearly 10% over a year ago. The Dominion Bureau of Statistics weekly index is up, department store sales are up, domestic car sales are 17% higher for the year to date.

• • • •

To meet this growing demand for new goods, food, clothing, household equipment and similar things, merchants report ample stocks of goods. In this connection the British Navy has been a big factor. Canadian stores, big and little, have actually a larger array of British goods to offer their customers this winter than in the year before the war. Despite German mines, torpedoes and raiders, there is no dearth of British textiles, china, liquors, toys, drugs or other items that Canada imports from the Mother Country. And prices on the whole are reported only moderately higher than pre-war.

• • • •

From a purely current business standpoint there is only one serious flaw in this picture of greater purchasing power. The farm element of the population has lagged behind. Canadian agriculture has always depended on a healthy export for much of its general prosperity.

Normally we sell a huge volume of bacon, wheat, cheese, fruit and tobacco to Great Britain. But we also sell a considerable volume to Continental Europe.

The latter market has been almost eliminated by war. As a result Canadian surplus farm products have been piling up in storage and prices on the whole are no better or actually lower than the none too prosperous levels which prevailed just before the war.

• • • •

Canadian agriculture hopes that the present government trade mission to South America will keep its marketing problem in mind. But it is not too hopeful of any great gain, because South America, like Canada, is also an agricultural exporter and in wheat and livestock products in identical lines with Canada. However, there is some prospect of a greater export of certain processed or cured foods, such as canned goods, and here may accrue some indirect benefit to Canada.

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Business Indicators

Current business more active with the D. B. S. weekly index up more than a point from first part of November, nearly two points from same period a year ago.

Carloadings for second week in November still reflect the restricted grain movement but cumulative for year to date nearly 10% up.

Railway Gross earning for third week in November steady, one line up over same week a year ago, one slightly down, but both better than previous week.

Automobiles — Used car sales continue to climb. Financing for October up half a million over same month in 1939, for year to date up 19%.

Sea Fisheries — October catch best in years, up in weight and value. Cumulative for 10 months up 12% in volume, 5% in value.

Newsprint exports in October continued previous gain, cumulative for year 25% better than in 1939.

Trend of business shown by The Financial Post Business Index and following key factors, new items for the week being marked thus ▪.

TREND OF BUSINESS—	Nov. 16	Nov. 9	Nov. 2	Oct. 26	Nov. 18/39
Weekly index of business, D.B.S.	103.3	102.1	101.7	101.8	101.7
Commodity prices index no.	84.0	83.7	83.6	83.5	79.6
	Oct.	Sept.	Aug.	July	Year Ago
The Financial Post business index	*146.9	147.4	142.9	139.5	126.6
Retail sales index no	....	90.4	93.7	89.4	86.0
Dept. store sales index no.	92.4	89.0	89.2	87.5	90.0
Wholesale sales index no.	....	123.8	115.1	105.2	148.4
Country store (% change pr. yr.)	....	—10.7	+9.8	+6.2	+12.1
EMPLOYMENT Index Nos., D.B.S.	Oct. 1	Sept. 1	Aug. 1	July 1	Year Ago
All industries	136.2	131.6	127.9	124.7	121.7
Manufacturing	143.8	138.4	134.4	130.3	119.7
Wage earners, no. 000's	....	....	2,709	2,634	2,461
Living costs weekly budget	....	$17.82	$17.90	$17.84	$16.93
			Jan. 1 to date		%
RAILWAYS—	1940	1939	1940	1939	Change
▪Carloadings (week Nov. 16)	55,594	58,370	2,471,506	2,253,083	+9.7
▪C.N.R. gross (week Nov. 21) $	5,114,656	4,838,150	216,603,519	178,268,672	+21.5
▪C.P.R. gross (week Nov. 21) $	3,481,000	3,668,000	149,413,000	132,792,000	+12.5
▪C.N.R. net revenue (Oct.) $	5,241,322	5,453,848	33,209,638	12,106,202	+174.3
C.P.R. net revenue (Sept.) $	2,985,540	5,821,955	20,289,975	12,705,409	+59.6
IRON AND STEEL—Sept.—					
Pig iron production (tons)	105,020	65,954	839,456	487,962	+72.2
Steel ingots and castings prod. .... (tons)	164,515	124,384	1,464,548	937,693	+56.2
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (Sept.)	3,591	4,948	80,541	68,953	+16.8
Factory output .. (Oct.)	7,056	7,791	87,659	87,433	+0.2
Trucks and Buses:					
Domestic sales* .. (Sept.)	2,084	1,808	23,815	19,833	+20.1
Factory output .. (Oct.)	14,095	1,849	88,340	32,493	+172.3
Financing:					
▪Used .... (Oct.) $	3,230,121	2,710,322	36,103,792	30,327,357	+19.0
▪New .... (Oct.) $	2,125,353	1,749,308	28,227,723	23,834,099	+18.4
CONSTRUCTION—					
Contracts awarded .. (Oct.) $	26,360,600	14,228,100	274,109,600	165,010,000	+66.1
Cement prod., bbls. (Aug.)	909,000	842,000	4,619,804	3,572,691	+29.3
AGRICULTURE—					
Flour prod., bbls. .. (Sept.)	1,635,849	1,927,102	11,717,941	11,237,017	+4.2
Flour exp., bbls. ... (Oct.)	750,193	444,144	5,942,573	3,866,648	+53.6
Wheat exp., bush. .. (Oct.)	9,658,887	16,848,847	110,129,700	107,856,939	+2.1
Cattle sales▴ .... (Oct.)	151,889	159,421	940,344	900,850	+4.3
Hog sales▴ .... (Oct.)	675,574	488,665	4,112,414	2,824,858	+45.6
SEA FISHERIES—‡					
▪Catch, cwts. .... (Oct.)	1,052,400	830,900	9,450,250	8,398,750	+12.5
▪Landed value ...... (Oct.) $	1,669,300	1,203,200	15,961,000	15,106,650	+5.6
NEWSPRINT—					
Production, tons ... (Oct.)	309,957	280,985	2,883,562	2,339,884	+23.2
▪Exports, tons .... (Oct.)	275,821	270,493	2,702,750	2,149,435	+25.7
MINING AND OILS—					
Coal prod., tons ... (Sept.)	1,342,751	1,385,438	12,156,067	10,667,359	+13.9
Coal imports, tons . (Sept.)	2,074,840	1,744,468	13,649,462	8,829,683	+54.5
▪Gold prod., fine oz. (Sept.)	440,450	422,382	3,935,341	3,801,760	+3.5
Crude oil prod., bbl. (Aug.)	868,651	795,844	5,426,813	5,066,251	+7.1
Crude oil imp., bbl. (Sept.)	4,466,200	4,752,600	30,301,000	26,654,600	+13.7
ELECTRIC POWER OUTPUT—(September)—					
Total monthly, 1,000 kw.h.'s	2,399,678	2,380,652	22,483,592	20,623,780	+9.0
FOREIGN TRADE—♦					
Imports .... (Sept.)	86,286,828	73,564,271	768,719,704	515,331,719	+49.1
Exports .... (Sept.)	102,778,196	82,456,582	869,311,971	644,040,089	+34.9
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. .... (Oct.)	241,494	244,085	2,029,857	1,823,970	+11.2
Shoes, prod., pr. .. (Sept.)	2,484,668	2,368,374	19,454,317	17,905,207	+8.6
Cotton consump., lb. (Oct.)	16,662,648	13,036,098	158,876,127	98,861,553	+60.7
Raw rubber imp., lb. (Sept.)	6,061,154	8,004,372	68,083,514	48,753,726	+39.6
▪Cigarette cons. No.† (Oct.)	747,064	706,230	6,310,136	5,980,874	+5.5
Sugar manufactured .. lb.§	92,174,302	101,604,562	712,519,894	662,803,108	+7.5
FINANCE—					
Bank debits† ...... (Sept.) $	2,571,236	2,831,651	24,653,180	22,731,224	+8.4
Bond sales† .... (Oct.) $	112,036	268,041	1,855,209	1,304,552	+42.2
Life insurance sales (Sept.) $	26,156,000	34,252,000	267,381,000	269,033,000	—0.6

*D.B.S. All Canada figure covering over 90% of the Canadian total.
†000's omitted. §For four weeks to Oct. 5, 1940. ♦Gold excluded.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. *Preliminary.
▴Total at yards and plants.
New items for week marked ▪

SKF
BALL & ROLLER BEARINGS
ALL TYPES - ALL SIZES

British Lumber Buying Cut

B. C. Operators Warned By MacMillan of Reduced Purchases

From Our Own Correspondent

VANCOUVER.—British Columbia must face the possibility of reduced lumber purchases from the United Kingdom during the present winter, H. R. MacMillan, Canadian timber controller, warned Vancouver lumbermen recently.

Mr. MacMillan said that the British Government had decided to cut down its lumber imports from eastern Canada by one third during the next few months and eastern Canadian lumber was the cheapest now being obtained by Britain.

There was no telling when British curtailment in lumber buying might be extended to the Pacific coast, although there was no definite indication that there would be any reduction at all. British Columbia's advantage over eastern Canada lay in the fact that production was not seasonal.

"Whatever curtailment should occur may be the result of shipping shortage, although we have no proof of that either," he said.

Using Rails More

Meanwhile the trend of shipments from British Columbia to the British Isles is toward increasing use of rail transportation. Last October set the record for all-rail shipments to the Atlantic coast for transshipment under convoy to the United Kingdom.

About 60 million board feet of lumber was handled by the Canadian National and the Canadian Pacific Railways in that month alone, bringing the total rail movement so far to about 150 million feet.

During the summer rail movement was practically nil, partly because there was an abundance of ships available for loading in the north Pacific and partly because the railways were busy handling lumber for Canada's own defense requirements in every province.

Vancouver exporters say there is no indication of a slump in shipping space despite heavy losses through submarine and mine warfare.

Addition of Greek shipping to the tonnage available for British Government purposes helped the situation to some extent.

Commodities

News from the Balkans has given the commodity market incentive to develop moderate strength. Alignment of Rumania, Hungary and Slovakia with the Axis powers on the one hand, and the Greek successes and the stand pat attitude of Bulgaria on the other, strengthened the convictions of those looking for a long war. Three of the four spot indices were higher with one lower. Dow Jones future index was also down.

Rubber, hides and cotton showed advances, but later turned softer.

In the Canadian agricultural group, wheat was stronger on the foreign news, while hog prices eased owing to the lower quotations for bacon in the new bacon deal.

	Latest week	Previous week	Same week last yr.
Cattle	$8.75	$8.60	$7.50
Hogs	10.75	11.40	12.00
Copper, lb.	.12	.12	.12¼
Cotton, lb.	.1038	.1023	.1005
Rubber, lb.	.2113	.21¼	.20½
Sugar, raw, lb. ...	.0285	.0290	.03
Silk, lb.	2.57	2.58½	3.37
Wheat, Man. (bu.)	.72⅛	.71⅜	.70¾
Coffee, lb.	.05⅛	.05⅛	.05⅛
Hides	.14	.14½	.14
Weekly Indices			
Canada (D.B.S.) ...	84.0	83.7	79.6
Do., Wood, Gundy	67.5	67.9	67.2
U. S. Labor	79.3	78.8	79.1
Dow Jones (future)	56.76	57.44	56.31
Fishers'	84.5	84.5	84.0
Monthly Indices			
Canada (D.B.S.):			
Retail (Oct.)*	107.0	106.4	103.5
W'sale (Sept.) ...	83.1	82.7	78.4
U. S. (Sept.)	78.0	77.4	79.1
Gt. Brit. (June) ...	134.6	133.7	98.1

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base. *Base 1935-39=100.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. Silk—Crack db., 13-15 New York. Sugar — 96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Hides—No. 1 packer light.

"down to essentials" means "down to newspapers"

War has been the means of reducing things to a "brass tacks" basis and never before has the indispensability of daily newspapers been more thoroughly emphasized. PEOPLE MUST HAVE NEWS, and the daily press of Canada has risen fully to its responsibility. It is obvious and indisputable that the value of advertising space alongside news to-day has been enhanced beyond any previous point.

BUY SAVE WAR SAVINGS CERTIFICATES

TORONTO IS A "TELEGRAM" CITY

THE EVENING TELEGRAM
Largest Classified Linage in Canada
TORONTO CANADA
MONTREAL: E. R. CHOWN, Dominion Square Building

Keeping Posted . . .

By JOHN C. KIRKWOOD

Big Business

Editors are increasingly featuring "guest editorials." Thus, in the November issue of Canadian Automotive Trade is a guest editorial by Howard B. Moore, general manager, Toronto Automobile Trade Association.

He asks for a continuation, without any reduction in amount and quality, of the salesmanship which has increased the number of automobiles in use in Canada from less than 70,000 at the outbreak of war in 1914 to 1,439,000 in 1939.

"The Canadian automotive dealer," says Mr. Moore, "should resist every tendency to curtail or restrict the business of providing individual transportation, which has become increasingly important to our agricultural, industrial, mercantile, professional and social activities, unless and until it can be shown beyond question that the manufacture and sale of automobiles is interfering with Canada's part in aggressive prosecution of the war."

The magnitude of business of distributing automobiles in Canada is suggested by these figures: We have in Canada 3,265 separate dealer establishments, employing nearly 22,000 persons, paying over $24 millions in salaries, wages and commissions, and selling merchandise and services to a value of over $332 millions; with, in addition, 30,000 persons engaged in garages and repair establishments, drawing over $25 millions in wages and salaries; with additional thousands in gasoline service stations.

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Lots of Scope

"Weekly newspaper publishing is far from being stereotyped. There is still plenty of scope for the adventurer," writes J. H. Cranston, publisher of the Midland Free Press, in an article in the November issue of Canadian Printer & Publisher.

Many of the country weekly newspapers now have full-time women's editors and sports editors. Attention is being paid to interviews as news features, to columnists, to illustration.

One feature steadily gaining in importance is the editorial page. "That the weeklies of Ontario and Canada are stepping ahead is no idle fancy" declares Mr. Cranston.

• • •

Old-Timer

Thomas Bengough, distinguished Canadian court reporter, now aged 87, has just returned from a lecture tour of the United States—from Atlantic to Pacific. There he addressed assemblies of court reporters on the subject of shorthand. Probably no one equals Mr. Bengough in his experience.

Mr. Bengough says that whereas 50 years ago a speed of 160 words a minute was sufficient in a court reporter, today one must be able to write 250 words a minute. Today men talk much more rapidly than men talked 50 years ago. Thomas Bengough's brother, J. W., was the founder of the famous humorous weekly—"Grip." Despite his great age Thomas is mentally and physically spry.

• • •

Snow Asset

Canadian airports have a snow problem. Suggestions that the Air Training Plan, now gathering momentum on scores of airfields across Canada, should move south for the winter have not been considered seriously, reports Canadian Aviation for November.

On the contrary, many partially complete airports will be vastly improved by a hard surface of snow. So snow can be and will be an asset rather than otherwise. Generally speaking snow rolling equipment is being provided for airports. In other areas, where snow freezing is imperfect, arrangements have been made to remove the snow with snow blowers. Conventional snowplows are to be used chiefly for road maintenance and for clearance of building areas.

• • •

Painting Tricks

There is much more in paint and painting than meets the eye. The paint used on the window frames of the new building of the Hydro-Electric Power Commission of Ontario, University Avenue, Toronto, was first subjected, in the Hydro testing laboratory, to a 1,000-hour weather test.

Each class of surface calls for a special paint. Casein paint has been used on all office ceilings. The efficacy of the acoustic plaster would be ruined if an oil paint were applied. Casein paint is absorbed right into the plaster, protecting it without nullifying the acoustic action. At the same time the light reflection is increased, adding to the efficiency of the illumination system. The new zinc chromate primers used on Navy planes have hung up a record of 3,000 hours exposure to salt spray. There's a fine article on finishes in the November issue of Canadian Paint and Varnish Magazine.

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Must for Magistrates

Here's a suggestion to all magistrates in Canada: first, read the book, "Magistrate's Court," by Henry H. Curran, chief magistrate, New York City (Scribner's); and, second, consider seriously the writing of a similar book.

Mr. Curran's book abounds in tales of men and women whose cases appealed to his humanity.

• • •

Little Norway

In Toronto is a new community, called "Little Norway," located on the lake front at the Island airport.

It is the home of Norwegians and men of Norwegian origin who are being trained for air and naval service in Britain's war against Germany. Some of the men in Little Norway dare not let their real names be known, to spare their kin in Norway becoming victims of Nazi hate. Most of the men have thrilling tales to tell of the manner of their escape. Thus, Captain Hjalmer Riiser-Larsen, in command of the Naval Air Force at Toronto headquarters, got away from Norway by way of Stockholm, Moscow, Bucharest, Milan, Paris and London.

Major Bjarne Oen, with 18 fellow airmen, set out from a Norwegian coast town in a steam trawler. Their ship was blasted out of the water by Nazi fliers. Clinging to wreckage the men got back to shore. Finding a small fishing boat, these 19 airmen again started for Britain's shores, and after many hardships reached the Scottish coast. One man stole a Nazi airplane, and escaped.

The story of "Little Norway" is told in Maclean's Magazine, Dec. 1 issue, by Frederick Edwards.

• • •

How to Play Santa

"Family Portrait" is a feature in the December issue of Chatelaine sure to interest all grown ups who, for an hour or so on Christmas Eve, play Santa Claus.

This Christmas 1940 brings with it special problems. The author believes that this year more than ever the beauty and pageantry of Christmas is of vital importance. This year the Halls are going to **Buy Canadian**. They are looking for gift ideas among Canadian handicrafts.

Use of Cotton Shows Rise

October Consumption in Canada Increases 15% Over September

From Our Own Correspondent

MONTREAL. — Consumption of cotton in Canadian textile mills during October increased 15% over that of the preceding month. An increase of 29% was shown over the same month last year, according to statistics released by the Cotton Institute of Canada.

The index of cotton consumption, which is adjusted for seasonal variations, stood at 192.4 in October, against 143.3 in the same month last year, and 191.6 in September this year.

Following are comparative figures of cotton opened and the Institute's index of activity:

Cotton Consumption in Canada

	*Bales Opened 1940	*Bales Opened 1939	Adjusted Index 1940	Adjusted Index 1939
Jan.	27,206	14,412	174.9	92.5
Feb.	35,740	15,296	221.5	94.9
Mar.	31,996	18,881	207.4	121.2
April	31,484	15,956	167.8	89.1
May	35,379	18,606	205.1	107.9
June	30,645	21,299	179.0	124.4
July	30,183	20,289	187.2	126.0
Aug.	32,468	24,406	201.2	148.4
Sept.	28,727	22,665	191.6	152.1
Oct.	33,555	26,014	192.4	143.3
10 months ...	317,543	197,174	....	....

*Bales 500 lb. gross.

Butter Maximum Price Fixed

Board Given Control of Market After Rapid Rise

From Our Own Correspondent

MONTREAL. — The Wartime Prices and Trade Board has been empowered by Order-in-Council to fix a maximum price of butter.

The order states that the "concern of consumers regarding prices is shared to a considerable extent by producers on the ground that the rapid increase in prices has occurred since the close of the period of major production and the transfer of the bulk of the product to distributors and speculators."

Butter Consumption Rises

Increased national income has been responsible for higher consumption of butter when Canadian production, particularly in Ontario and Quebec, is lower. Reserve stocks are also lower than at the same time last year, the order observes.

This increase in butter prices may stimulate its production to a point where cheese production will be prejudiced. Canada has entered into an agreement to supply Britain with cheese.

Usual price for butter is twice the price of cheese. The British agreement calls for a price of slightly more than 14 cents a pound for cheese. If butter rises higher than double that price producer interest naturally is diverted to butter production. If this movement developed to any considerable extent, Canada's ability to live up to British commitments would be seriously jeopardized.

Power to fix the maximum price for butter will enable the Dominion to ensure a steady supply of cheese to fill its British orders.

Kingston Shipbuilding Redeeming Preference

Kingston Shipbuilding Co., Collingwood, is purchasing 2,600 of its outstanding preference shares, or 1/9th of the total outstanding preference, for redemption at $25 a share. The offer may be accepted on or before Dec. 21.

In July the company made a similar offer for 2,600 shares at the same price, acceptable on or before Aug. 31, 1940.

Last year the company had a net income of $53,363 compared with $36,060 for 1938. Current assets at the end of last December amounted to $97,940 and current liabilities to $16,731. The 7% cumulative preferred shares are in arrears $7.87½ a share.

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Find out today how easy it is to have a home of your own. Stop paying rent, and put your savings into an investment which means lifelong security. Ask any Ten/Test dealer how you can do it. Or write to International Fibre Board Limited, Ottawa, Ontario, for full information.

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The Excess Profits Tax Tangle

Golden Goose Egg May Shrink

Business Fears High E. P. Tax Will Defeat Its Own Purpose

Does the present excess profits tax coming on top of regular provincial and Dominion income taxes threaten to defeat its purpose? In other words, has the top rate of taxation been raised so high that aggregate tax revenues are less than they would be under a more moderate scale?

This is the case in the opinion of many leading businessmen, The Financial Post finds.

More than one hint comes out of Ottawa that officials privately feel that the present maximum rate is too high as well as being unfair in many respects.

It is apparently a political compromise between what might be a tax scale planned to meet needs for maximum revenue and the demand for 100% confiscation of profits from war business.

Results Resemble Inflation

H. T. Jaffray, president of the Canadian Bankers' Association, in his address before this body's recent annual meeting, referred to the danger of taxation reaching such a level as to defeat its primary revenue raising purpose. He said that taxation "if carried to an extreme, may produce results not greatly different from the aftermath of inflation."

Taxes on corporation income can reach as high as 89.5% of taxable income in Canada at present. This, moreover, does not include the multitude of capital taxes, franchise taxes, place of business taxes and the many other forms that taxation takes.

This extreme rate can be reached if a company transacts all its business in British Columbia or the three prairie provinces. For the much greater number of companies which find their income taxation determined by the rates prevailing in Ontario and Quebec the maximum rate is 84.5% this year.

Expansion Held Back

Now business opinion holds that this rate of taxation actually produces less revenue than a more moderate rate would on several grounds. One business leader writes The Financial Post on this question pointing out the following:

"When a firm gets into the higher rate of income tax, I think you will appreciate that they cannot take their own liquid capital and translate it into additional productive facilities for the reason that there is not enough remaining in the way of profit out of the 85-15% division to equal normal depreciation. I realize that there has been growing up over some years that feeling of 'What's the use?' because a great many have no incentive to embark on a new venture."

This man clearly feels that industrial growth, and through it aggregate taxable income, is halted by such a scale of taxation as prevails today. The company which he heads, moreover, is one of Canada's largest and one that is undoubtedly feeling the pressure to expand productive facilities under wartime demands.

Lower Rate, More Revenue

Another man, head of the largest unit in a different industrial field in Canada writes:

"It is recognized that the Government needs money, and that they must go where the money is. It is very important, however, that the tax does not prove a drag on business, and while it may bring in revenue one year, it might cause profits to dry up and thus militate against government revenues in the future years."

"Apart from the discriminatory feature of the present tax, I believe a tax on excess profits of 50% would bring in more revenue than a tax of either 75% or 100%."

Great Britain also has an Excess Profits Tax. The British tax is somewhat different from the Canadian in its selection of a base period where considerable latitude is permitted. But its greatest difference probably is that the British tax provides for a 100% tax on the "excess" profits.

British Opinion

Here is what The Economist of London says about the effect of the British tax on business incentives:

"Under a regime of 100% E.P.T. (however reasonable the pre-war basis of assessment) all financial incentive is denied, except to wage-earners who, unlike managers and shareholders, are allowed a higher financial reward for an increased volume of output. Doubtless those concerned are as patriotic as the rest of their fellow citizens. But, with the best will in the world, are they likely to find the eventual transition from war to peacetime production particularly easy, if the liquid resources which they would normally have accumulated during the war have all been drained away by the Treasury?"

That statement was made about an E. P. T. of 100%, an increase made this year from the former 60% rate, but the Economist says that "the severity of its incidence, even on the lower basis........is being amply attested by contemporary reports."

Here we have a weight of opinion from many sources supporting the contention that excess profits tax on the confiscatory basis now prevailing will actually bring in less revenue than would a tax at a more reasonable rate.

The Financial Post recently summarized the views of businessmen about the way present taxation can defeat its own purpose.

1. The Government wants production increased all along the line.

2. The Government wants consumption—private spending including company spending—held in check as much as possible.

The combination of greater production and self-denial will enable us to feed the war machine, they indicate.

The E. P. T. certainly does not encourage greater production; quite the reverse. A basic human incentive to increased activity—the psychological vitamin of profit—has been practically eliminated by taxes that run up to 89½% of the new profits earned.

Nor does the E. P. T. encourage careful spending. There is little inducement for business firms to defer or withhold expenditures of an operating character. This means putting a heavier load on the supplies of labor, materials and dollar exchange.

Action on Sirois Report

(Continued from page 1)

conference activity have disclosed opposition from quarters hitherto deemed either favorable or neutral. The chief antagonist of the Sirois Commission, both while it was in being and when its findings were made public, was Premier Mitchell Hepburn of Ontario and he has maintained silence.

Mr. Hepburn's attitude toward the Commission while it was in being is well known. His comment on the report—that it would be nonsense to try and implement it during the war—is equally well known. When sounded out by Hon. J. L. Ilsley a few weeks ago, his attitude was not made public but it is believed to have been unreceptive.

Meantime, the move toward reunion by the Federal and Ontario Liberal parties is far advanced. In addition to the developments already recorded, Mr. Hepburn came to Ottawa on Nov. 20 and appeared on the same platform as Rt. Hon. Ernest Lapointe in support of Hon. Robert Laurier, Ontario's new minister of mines.

The significant passages in the speeches were these:

Mr. Hepburn called Mr. Lapointe the grand man, and his dear friend.

Mr. Lapointe gave Mr. Hepburn the best wishes of himself and his friends.

Considering that Mr. King is indubitably a friend of Mr. Lapointe's, this was going pretty far. Until the Dominion election last March, Mr. Hepburn had nothing but words of contempt for Mr. King.

Hints Shelving Report

This rapprochement, however, has no significance with respect to the Sirois report except to suggest an agreement between the Federal and Provincial parties to shelve the report at the January conference. In this way a fresh breach could be avoided. It is incomprehensible that the present love feast would be taking place if another quarrel were in prospect.

The truth is that Mr. Hepburn does not stand alone in the Liberal ranks in Ontario in opposition to the report. Many Federal Liberals from Ontario, including perhaps Cabinet ministers, are critical of the report. One prominent Federal Liberal, and no friend of Mr. Hepburn's, has stated his views publicly.

In a public speech at Ottawa on Nov. 22, Arthur Roebuck, member for Trinity, Toronto, said that under the report the provinces would become "glorified county councils." "Where will the autonomy of the provinces be under this arrangement?" he said, with reference to the Dominion's powers to give or withhold approval of provincial borrowing.

The many changes since confederation were not sufficient for the acceptance of the proposals of the Commission, he said. The present constitution was a pretty good one and is not lightly to be dispensed with. An unofficial canvass would indicate that Mr. Roebuck spoke for a substantial number of Federal Liberals from Ontario.

During the week, rumors were in circulation that Mr. Hepburn would seek in the report an issue for a general election to be held after the conference. This rumor was started by Ontario members and was based on grapevine messages said to originate in Queen's Park. It is not now taken seriously here.

Election Hint Strong

But it is generally believed that Mr. Hepburn will go to the country next spring on a snap election campaign, just as he went in Oct., 1937, when his legislature was but three years old. If he fails to do so he will be crowded into a fifth year and the mortality rate of governments who hold office five years is high.

Another form of procedure being suggested for the conference is that if Ontario alone dissents from a decision to adopt the report, the dispute would be transmitted, by memorials, to the British Parliament. This is regarded here as most improbable.

If the Dominion took any action in these circumstances—which is most unlikely—it would follow the established precedent and ask Westminster to make the necessary changes in the British North America Act to implement the report. If the Ontario Government decided to carry its opposition to Westminster, it would be free to do so. The report suggests that in these circumstances the British authorities might refer the matter back to Canada for further negotiation.

This supposition completely ignores the established precedent of the provincial subsidies amendment in 1907 when precisely this situation arose, with British Columbia in the role of dissenter. The British Parliament, on the motion of Mr. Churchill, accepted the advice of the Dominion Parliament without hesitation. The precedent is that the British Parliament must accept the advice of only one authority in Canada — Parliament. Parliament — it was agreed by all parties in the confederation debates— represents and speaks for every province in this country.

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BRANCHES IN PRINCIPAL CITIES

MUNICIPAL HONOR ROLL

Five Years of Progress by Local Government

TRURO, N.S.

Truro, N.S., is the twenty-eighth in a series of municipalities included in The Financial Post Honor Roll for 1940.

These municipalities are those which are considered to have shown stability over a period of years, or in the recent years have made outstanding progress in improving their financial standing. No attempt is being made to run these in sequence of merit or size.

The Town of Truro, N.S., has relatively few obligations in the hands of the public. At the end of last year gross debenture debt was less than $1.2 million, against which there was sinking fund of $542,000. Net debenture debt therefore was only $612,000.

In November, 1938, the town sold $200,000 of debentures on a favorable basis. Backing the underwriter's appraisal of the municipality's good credit rating is an excellent record of tax collections, and a progressive reduction in tax rate. Taxable assessment values have shown a steady increase, permitting a cut in the rate levied.

The town pays all accounts for unemployment aid out of general funds. Cost of this service has been exceedingly small. No assistance has been received from the Dominion or provincial authorities for this purpose since May, 1934.

Statistical Picture

	1939	1938	1937	1936	1935
Population (est.)	9,500	9,000	8,500	8,500	8,500
Assessment taxable (in $000's)	5,261	4,882	4,804	4,750	4,648
Assessment per capita $	553.80	542.40	565.21	559.85	546.80
Current levy $	179,254	167,097	168,825	169,931	166,287
Mill rate	34	34	35	35.5	35.5
Tax collections:					
Current collections to curr. levy %	87.39	87.04	88.37	88.49	68.12
Current & arrears to curr. levy %	97.22	99.23	99.19	103.16	98.31
Gross debenture debt (in $000's)	1,154	1,236	1,048	1,029	1,042
Less: Sinking fund	542	582	555	543	522
Net debenture debt	612	654	493	486	520
Net deb. debt per capita	64.39	72.67	57.97	57.15	61.21
Other liabilities	9,162	......	3,298	10,191	40,084
Relief expenditure funded	nil	nil	nil	nil	nil
Relief met out of curr. rev.	nil	nil	nil	nil	nil

Term of council—six councillors elected for term of two years.

Last Debentures Sold

$200,000 of 3½% debentures, dated Nov. 1, 1938, maturing Nov. 1, 1958, at 101.47 on an approximate cost basis of 3.40%.

Labor Leaders Hit Limiting Wages

From Our Own Correspondent

OTTAWA.—In labor circles it is learned that the Stewart interdepartmental committee on labor is now discussing wage controls for the duration of the war.

Apparently the committee has worked out a policy which has now been submitted to trades union leaders for their approval.

This policy, in broad terms, provides for the freezing of wages on war work and for the war period at the 1929 peak level with provisions for bonus payments if the cost of living should rise above the 1929 figure.

Immediate Concession

As living costs are presently much below the 1929 level, this presumably would be an immediate concession to labor and the bonus system would afford protection in the event of an undue rise in price levels generally.

The wage ceiling is not to be on a national but on a sectional basis. There is no intention of trying to bring uniformity on a Dominion-wide scale.

Labor leaders, while they have not been vocal in public, are opposed to the imposition of a ceiling on wages. They would prefer the British policy of no control of wages but a system of price control and rationing to prevent inflation.

Expect Migration Here

(Continued from page 1)

tion of labor and raw materials and quickly erected plants. These are all as readily available in Canada—or could be made so—as in the United Kingdom. Complete new plants could be set up here with a minimum of interference with the home factories in England. Indeed for the time being the output of both could be utilized.

Machine Tools

Another branch of industry contemplating expansion to Canada, The Post is informed, is one concentrating on the making of machine tools.

Here, it is true, a great deal of intricate vital machinery is needed but it is hand built by the factory itself and of a type not wanted by other industry. Raw materials or equipment for the machine tool factory is very largely highly skilled labor and special alloy steel. Arrangements were made recently to expand greatly production of this special steel in Canada. If British machine tool plants decide to erect factories in Canada it will be this skilled labor that will be moved rather than machinery. Here, their necessary production would be uninterrupted by marauding bombers and Canada's vast expanding general industry would provide a ready market.

End of the war, it is stated should make no difference either to the British industry already established here or the flow of still more factories. Much of this is based on an export trade either to Empire and South American countries. Plants in Canada would be nearer the centre of their export field than in Great Britain and would be much more secure in the future in case this war, like the last, does not prove final.

United Bond & Share Directors Re-elected

From Our Own Correspondent

MONTREAL. — Reports of the United Bond and Share Ltd. were adopted at the routine annual meeting of stockholders. The directors were re-elected and at a subsequent meeting of directors, officers were reappointed.

Montreal Cottons Ltd. Pays Larger Dividend

From Our Own Correspondent

MONTREAL.—Directors of Montreal Cottons Ltd., affiliated with Dominion Textile Co., have declared a dividend of $1 a share on the common stock, payable Dec. 15 to shareholders of record Nov. 30. This brings total payments for the year up to $4, as against a distribution of $2 a share in 1939.

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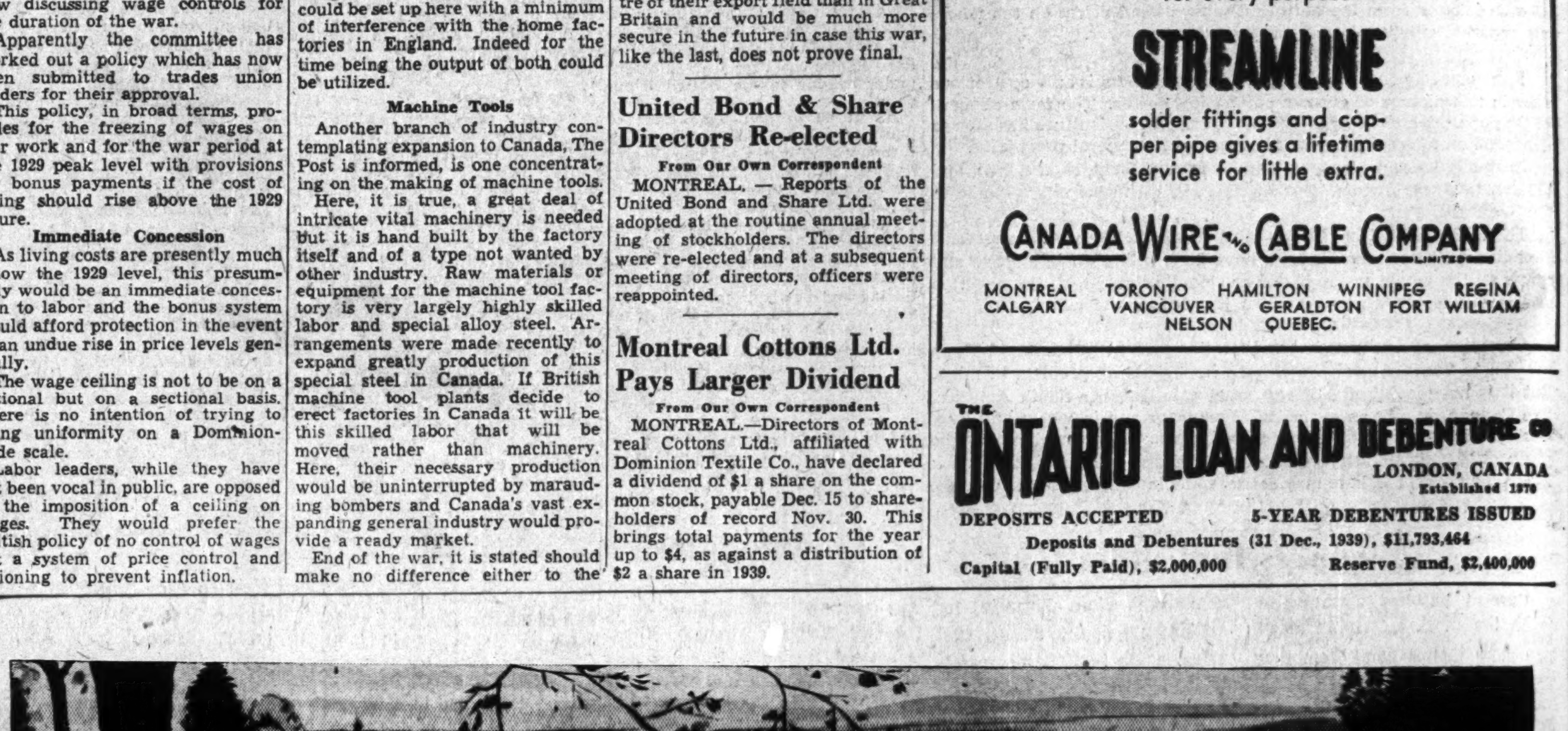
Deposits and Debentures (31 Dec., 1939), $11,793,464
Capital (Fully Paid), $2,000,000 — Reserve Fund, $2,400,000



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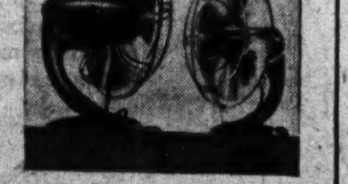
See and drive the new 1941 Chryslers! Revel in the spacious luxury of the new Airflow bodies with deep Airfoam-cushioned chair-height seats. Thrill to the extra power of Chrysler Royal's new 112 horsepower "Spitfire" engine. Admire the pulse-quickening beauty of Chrysler's new exterior and interior design. Learn why you'll always feel a justifiable tingle of pride when people you meet remark—

Fluid Drive operates like one electric fan forcing a current of air against another idle fan and setting the latter in motion—just as a breeze turns a windmill. Only the medium of motion is oil—instead of air.



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B. A. Oil

What is the current yield on British American Oil stock? What is the outlook for the company?

At prevailing price of around $19 a share and allowing for the regular $1 a share annual dividend, B. A. Oil shares yield approximately 5.3%.

This company is one of the leading operators in the business of refining and distributing petroleum products in Canada. In addition it has important interests in the production of crude oil in the United States from which it has obtained important revenues in recent years. It has been able to show the regular $1 dividend earned by a good margin from Canadian operations alone. Last year it earned $1.24 a share from Canadian operations compared with $1.14 in 1938. When earnings from United States subsidiaries are added, total earnings were $1.41 a share in 1939.

Indications are 1940 will see the company set its seventh consecutive record in sales volume although it is quite possible higher costs may mean net earnings will not show the same proportionate increase. Petroleum products are enjoying a good gain in sales in Canada this year in line with increased industrial activity. The chief cloud probably is the possibility some steps will have to be taken to control our use of these products in order to conserve U. S. exchange. No measures have yet been taken nor is it entirely certain that they will be necessary.

United Rubber

Have you any information of what happened to shares of United Rubber Co.?

United Rubber Co. went into bankruptcy in 1923. Only sufficient was salvaged to pay the bondholders off on the basis of 35 cents on the dollar. There was nothing left for ordinary creditors and it can be assumed stock is worthless.

Canadian Locomotive

Please let me have current information on earnings and operations of Canadian Locomotive Co. in relation to the 6% income bonds.

Indications are profits of Canadian Locomotive Co. for 1940 will exceed those of 1938 when the company covered income bond interest 4.54 times after depreciation. This would indicate interest on the 6% first mortgage income bonds would be covered by a good margin. The company paid full interest on these bonds on July 1, 1940, although no net earnings were available from 1939 operations.

No estimate of excess profits tax can be made as yet but the company plans to ask special consideration from the board of referees as a "depressed industry."

Additions are being made to the company's buildings and equipment at a cost of about $1 million, a large part of which is being financed by the Dominion Government. Most of the company's business at present is on Government orders. The company had 23 locomotives on order at the beginning of 1940, all of which are expected to be delivered this year.

Massey-Harris

I have some common stock in Massey-Harris. Is it worth holding for dividends? What are its prospects?

The common shares of Massey-Harris Co. are still a considerable distance from any dividends. Chief obstacle is the existence of $40 a share dividend arrears on the preferred stock. Until some measure is taken to settle these and also to eliminate the $20.7 millions deficit on the company's balance sheet, no dividend payment would be possible. It is known that various plans for a capital reorganization have been considered, but none have met with the approval of directors nor been presented to shareholders.

An increase of about 6% in sales was reported for the first part of the year ending May 31, 1940, with practically all major markets contributing to the better showing. This company sells about one third of its output in Canada, another third in the United States where it has extensive plants and the balance in export markets, chief of which are Empire countries. It had factories in both Germany and France which have been lost. The company has substantial orders from the Government for war material.

The doubtful outlook for agriculture at present is a question of some difficulty and makes a final recovery a long term proposition.

Monarch Knitting

I would like current information on Monarch Knitting Co., with particular reference to the possibility of further dividends on the preferred stock. What are the prospects of arrears being cleared off?

Sales of Monarch Knitting Co. in the first eight months of 1940 were substantially ahead of the same period of last year. The major factor for the increase has been military business, and the outlook is regarded as promising for maintenance of these orders. Civilian business also has been good, with an increase shown over 1939. The immediate outlook in this field is considered promising, in view of better general business conditions throughout Canada. The backlog of orders remains large.

The most uncertain factor is the question of excess profits taxes. The company's profits have been relatively unstable in the four years 1936-39, and unless special consideration can be obtained from the Referee Board, taxation will be very heavy. Until this situation has been cleared up, prospects for preferred dividend payments are difficult to forecast.

It would not be surprising, however, if another distribution is made on the preferred stock in the near future—or as soon as a satisfactory ruling can be obtained on taxes. The last payment made on the preferred stock was $7 per share in February of this year—the first dividend since April, 1938, when $1 was paid. Arrears at Dec. 30, 1940, totalled $61.41 2/3. These are exceptionally heavy arrears to be met from earnings, especially in view of the fact that the Government has given proof that no runaway will be permitted in profits for any company during the course of the war. It would appear, therefore, that the eventual solution to the problem will be by some form of reorganization.

Swift Current, Sask.

What are the details of the Swift Current, Sask., reorganization?

Swift Current, Sask., has been operated under a board of three supervisors appointed by bondholders since 1923. Under a plan of refinancing approved in 1938, 1% interest was paid on debenture debts in 1938 while interest is being paid at the rate of 2½% during the period 1939-42. Payments at this rate have been maintained. Principal under this arrangement can only be retired through purchases on the open market.

Debenture debt totalled $1.4 million at the end of 1939, at which time sinking fund totalled $131,279. The present plan of refinancing is only a temporary one to the end of 1942. Negotiations will be resumed about the middle of next year to arrange for payments after 1942.

Gypsum, Lime

What are the prospects of Gypsum, Lime paying a dividend on the common stock? How are the new taxes likely to affect its earnings this year?

There is no immediate prospect of Gypsum, Lime & Alabastine, Canada, paying a dividend on its common. The company still has a substantial amount of arrears of sinking fund on its 5½% first mortgage bonds, while it has to begin thinking about the maturity of these bonds in 1948. Interest ranks ahead of income tax or excess profits taxes and must be paid or provided before arriving at a taxable income.

The company plans to make application to the newly appointed depressed industries board for special consideration under the "Excess" Profits Tax Act because of the low level of earnings which it has reported in past years. Sales and profits for the first ten months of the current year were well ahead of the corresponding period a year ago. Net income before income and "excess" profits taxes may be double that of last year. What the final net profit will be, however, is difficult to foretell. Unless special consideration can be obtained, it is quite possible net profits for 1940 will be little better, if any, from that shown in year ended Nov. 30, 1939. Last year the company earned 38 cents a share on its common, slightly more than double that of the preceding year.

Ford of Canada

I am interested in the present position and outlook for stock of Ford Motor Co. of Canada.

Ford Motor Co. of Canada is the only opportunity for investors to participate in the automobile industry in this country.

Currently the company is exceedingly busy, chiefly producing mechanical transport vehicles for the Canadian and allied armies. Capacity operations have prevailed throughout most of 1940 on this account. Outlook for ordinary domestic automobile business is reasonably good at present but might alter in short order if the country found it necessary to restrict civilian use of automobiles. It has already been announced that there are to be no new models introduced while the war lasts.

Earnings this year should be satisfactory and compare favorably with last year's $1.81 a share, subject to the effects of increased taxation. The company's financial position is very strong and its $1 a share dividend appears well protected.

Ordinarily Ford of Canada depends to almost 50% of its output on exports to other Empire countries. This section of the business has been unfavorably affected by wartime conditions, largely offset at present by demand for army transport.

Hawkesbury, Ont., Bonds

What is the indebtedness of Hawkesbury, Ont.? Is any interest being paid on the debentures and are there any held by the public?

The Town of Hawkesbury, Ont., has been in default since June, 1933. Its liabilities at Dec. 31, 1939, included debenture debt of $396,415; interest due and unpaid on the debenture debt, $130,000; and a housing loan of $225,000, due to the Ontario Government. Hawkesbury has made no payment since it defaulted. The Ontario Department of Municipal Affairs is currently engaged in a survey of the situation. Negotiations are now under way with bondholders to effect a solution. The outlook is encouraging for an early settlement.

It is understood the large proportion of outstanding indebtedness is held by institutions, but some debentures also are held by the public.

Brandram Paint

Will you be good enough to let me have your views on the first mortgage bonds of Brandram-Henderson Paint Co.? Are there any prospects of interest being paid?

Prospects of the payment of interest on Brandram-Henderson 6% bonds do not look overly encouraging, not because of lack of earnings but because of the arrangement entered into whereby surplus earnings are applied against the bank loan. Bank loans at the end of 1939 totalled $350,000. It should be noted that there has been a steady improvement in the company's position and with, a continuation of present business, the financial position of the company should be reestablished before long. From 1935 to 1939 an excess of current liabilities over current assets of $159,422 was converted into a favorable balance of $209,294, an overall improvement of more than $364,000. Operating income, too, steadily increased and at $646,761 in 1939 was the highest reported in years.

Sin-Mac Bonds Final Payment

Trustee Distributes 9.44% Next Month — Tug Venture Brief

From Our Own Correspondent

MONTREAL.—Final payment will be made to holders of the 6% first mortgage bonds of Sin-Mac Lines Ltd. on Dec. 9, when the trustee will make a cash distribution of $9.442 for each $100 of principal money originally due.

This will make a total distribution to the bondholders of $24.442 for each $100 of bonds held, plus one share of common stock in Sincennes-MacNaughton Tugs Ltd. As there are outstanding $1,374,000 of mortgage bonds, the overall distribution will amount to $335,833 in cash and 13,740 shares of stock in the tug company.

Sin-Mac Lines was incorporated in 1928 to acquire Dominion Towing & Salvage Corp.; Reid Towing & Wrecking Corp.; John E. Russel; Donnelly Salvage & Wrecking Corp. and Sincennes-MacNaughton Line Ltd. At the time $1.5 million of first mortgage bonds were issued, as well as $906,000 of 7% preferred stock and 53,120 no par value common shares.

Simard Buys Properties

The company defaulted on bond interest payment due Oct. 1, 1931, when the property was taken over and managed by the Montreal Trust Co., trustee for the bondholders. In the fall of 1934, Joseph Simard of Montreal purchased the greater part of the fixed assets of the company, more particularly the equipment operating out of Montreal, Sorel and Kingston, but not including cash securities, receivables, or other liquid assets. This offer was accepted. The following year a second offer was made to purchase the remaining physical assets of the company, but not covering the liquid items. At the same time, the tug "Muscallonge" was sold to Lloyds Refinery Ltd.

The first distribution of proceeds from sales was made to the bondholders in Jan., 1935.

I. H. E. System Reports Loss

Deficit in Third Quarter Due to Heavy Accrual Of Income Taxes

From Our Own Correspondent

MONTREAL. — Operations of International Hydro-Electric System and its subsidiaries for quarter ended Sept. 30, 1940, resulted in a consolidated net loss after all charges of $481,282. This compares with a loss of $181,320 for the same period last year.

According to an interim consolidated statement issued by Irwin L. Moore, president, there was a revenue in the third quarter of $17.1 millions, as against $16.8 millions in the like period a year ago. Net available for interest, depreciation, etc., was just short of $7.9 millions, or $137,000 more than a year ago. The deficit after all charges was almost wholly due to an increase of nearly 100% in the provision for income and excess profits taxes.

Particulars of the consolidated profit and loss for the quarter ended Sept. 30, 1940, with comparative figures for last year follow:

Consolidated Profit and Loss Statement Quarter Ended Sept. 30

	1940 $	1939 $
Operating revenue ..	16,569,527	16,085,278
Other income, net ...	561,136	722,471
Total revenue	17,130,663	16,807,749
Expenses:		
Oper. expenses	6,146,676	5,993,049
Maintenance	945,834	887,446
Taxes	2,140,526	2,166,529
Net revenue	7,897,627	7,760,725
Less:		
Int. on debt of subs.	2,536,731	2,523,952
Int. on debentures of I.H.E.S.	398,520	398,520
Debt discount	200,561	204,231
Depreciation	1,617,542	1,767,745
Income and excess profits taxes	†1,163,450	620,258
Divds. on stocks of subsidiaries	2,150,584	2,084,894
Divds. not paid on stocks of subs.	72,153	72,153
Minority interest ...	207,288	264,326
Other charges	32,081	5,967
Net loss (see note) ..	481,282	181,320

Note:—The accounts of Canadian subsidiaries in the above figures are stated at $1 for the Canadian dollar. It is the practice of the companies to reflect in current operations any difference between this rate and current quotations at the time funds are actually purchased or transferred. The above figures do not reflect any adjustment translating Canadian current assets and liabilities into terms of U. S. dollars, which adjustment at Dec. 31, 1939, amounted to $104,136.

†The provision made to Aug. 31, 1940, by a subsidiary for 1940 U. S. normal income tax does not reflect the increase in rate under the existing law. This deficiency amounted to approximately $200,000 at Sept. 30, 1940, and is being equally apportioned over the four months period from Sept. to Dec., 1940. No provision has been made by this subsidiary for possible liability for U. S. excess profits tax. The amount of such liability, if any, will be determined only at the end of the year.

Undeclared cumulative dividends on System shares held outside the company at Sept. 30, 1940: (1) Preferred stock, July 15, 1934 to Sept. 30, 1940, $3,102,903, (2) Class A stock, April 15, 1932, to Sept. 30, 1940, $14,492,813, (3) Class B stock, April 15, 1929, to Sept. 30, 1940, $4,571,246. Class A stock also has certain participating rights and, subject to rights of preferred stock, liquidation value of $60 a share plus accrued dividends.

Man. Sugar Co. Sells Bonds

$600,000 Issue Offered Through Wood Gundy Was Oversubscribed

Financing of Manitoba Sugar Co. of Winnipeg has been completed with the issue of $600,000 5% first mortgage, sinking fund bonds. The issue matures July 1, 1960, and is fully guaranteed as to principal and interest by the Province of Manitoba. The bonds were offered through Wood, Gundy & Co. and were oversubscribed.

The company entered production early in October with a plant constructed this year at a cost of about $1.8 million. It is now operating at 24 hours capacity and is marketing its production in Manitoba — the plant being sufficient to supply about 50% of the normal requirements of the province. The plant is expected to produce about 36 million pounds of white granulated sugar per annum and the Manitoba market consumes about 70 millions. The nearest plant is 1,000 miles distant, so the company has the advantage of freight rates.

Helps Diversify Economy

The Manitoba guarantee is in line with a policy adopted by the administration to encourage diversification of the province's agricultural economy. Establishment of the new sugar beet industry has resulted already in the first payment by the company of $500,000 in cash to the farmers for this 1940 crop.

Directors of the company are G. H. Aikens, K.C., who is president and also a director of the Imperial Bank; W. H. Carter, general manager of the Winnipeg Electric Co.; E. W. Kneeland, director of North American Life Assurance Co.; N. L. Leach, director of the Royal Bank; John Martin, director of Sovereign Life; H. E. Sellers, president of Federal Grain; all of Winnipeg; and Baron Chas. Newman and Jakob Goldschmidt, both of New York.

Authorized and outstanding capital includes $1.5 million 6%, $100 par preferred; and 35,000 shares no par value common stock.

It is estimated normal earnings should amount to about $350,000 per annum from which will be deducted $30,000 for bond interest and about $125,000 for depreciation. Taxes also would come off this.

Mottley Takes Over C.P.R. London Post

From Our Own Correspondent

MONTREAL. — F. W. Mottley, European Freight Manager, Canadian Pacific Railway, has been appointed to the post of acting European Manager, London, England.

Mr. Mottley will be Acting European Manager during the absence of J. C. Patteson, who has been lent by the company to the Ministry of Supply of the United Kingdom, where he is serving as Director of Transportation.

IT'S A FACT

That many successful business men overlook the appointing of a permanent and efficient executor of their estate, causing financial worries to their dependents.

Make your family secure from such worries by interviewing one of our trust officers. There is no obligation.

MONTREAL TRUST COMPANY
Montreal Trust Building
61 Yonge Street Toronto
J. F. HOBKIRK, Manager

★

He thought he left $100,000 for his family

The value of his estate was $100,000 but after taxes, debts and fees were deducted only $79,000 was left for the family.

If this [illegible]ier used a 4¼% rate when figuring the [illegible]come from his estate for his family, they will receive $893 less EACH YEAR than he had counted upon.

Settlement costs (taxes, debts and fees) in the administration of estates are inevitable, but on the average a Trust Company will use only $1,870 for every $2,150 used by individual executors for such purposes.

With 38 years of experience in the management and distribution of estates, this Company will make an economical executor for your estate.

The CANADA TRUST COMPANY
London Toronto Hamilton Windsor St. Thomas
Chatham Winnipeg Regina Edmonton
Vancouver Victoria

Nylon plant To Be Built at KINGSTON, Ont.

$1,500,000 investment by CANADIAN INDUSTRIES LIMITED in plant and machinery to make Nylon yarn for Canadian trade.

Second Major Industry to Come to Kingston in Two Years

The new plant of the Aluminum Company of Canada was begun less than two years ago and is now in full operation, employing over 800 men steadily. Further extensions are being made.

Old Industries Busy and Some Enlarging Plants

The Canadian Locomotive Company, Hield Bros. woollen mill, Davis Tannery, Kingston Shipbuilding Company, Dye & Chemical Company of Canada and Monarch Battery Mfg. Co. are all very busy. The Locomotive Company is now erecting three new buildings.

Retail Trade Conditions Particularly Active

Kingston, which has long been a city of about 25,000 population, has today over 30,000 residents within its municipal limits and many thousands of soldiers and airmen at adjacent camps. Retail trade conditions are THE BEST THEY HAVE EVER BEEN IN THE CITY'S HISTORY.

Kingston is now a sensational spot market worthy of closest attention.

The Whig-Standard
Total Daily Circulation Now Over 12,000

More than mere coincidence!

That the first anniversary of the opening of our new, modern factory — and of the introduction of Royal's sensational, new streamlined models — should also mark a Canada-wide increase in the sale of Royal typewriters is no mere coincidence!

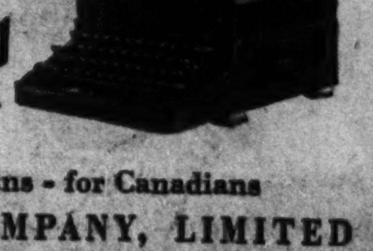
This increase covers *both* Standard and Portable models—and has been *general* all across Canada! Public acceptance, and public appreciation, of the new Royal models has indeed been gratifying . . . and we know it will continue, because the Royal is its own best advertisement! The more Royals there are in active service, the more there will be!

Royal manufactures typewriters exclusively — and has introduced such sensational—and exclusive—improvements as MAGIC* MARGIN, TOUCH CONTROL*, and FINGER COMFORT KEYS. Now comes Royal's latest innovation—the Finger Flow Keyboard. Get acquainted with the new Royal models for home and office use. Your local Royal Dealer will arrange a trial at your convenience—without obligation.

* TRADE MARK

Ask for your copy of this interesting booklet of Helpful Hints for Executives and Secretaries.

ROYAL TRADE MARK



Made in Canada - by Canadians - for Canadians
ROYAL TYPEWRITER COMPANY, LIMITED
Factory and Head Office: 7035 Park Ave., Montreal
DEALERS IN ALL PRINCIPAL CITIES

Blitzkrieg Drive to Spur War Saving

Ringing church bells – sirens – parades converging from three quarters of the city – blackouts – "bombings" – tank drives – all this and more goes into the blitzkrieg week in which Chatham, Ont., will show how War Savings Certificates can be sold.

An intensive and spectacular drive to be launched in Chatham, Ont., next week to swell sales of war savings certificates may provide a "pilot model" for the projected national campaign and for other local efforts to supercharge war savings appeals. It may also provide a framework for development of next summer's war loan drive.

The boldly conceived plans for the Chatham campaign call for an all-out blitzkrieg by virtually every known device of popular mass appeal and aims to capture 100% community support for aiding the war effort through war saving—in particular through purchase of war savings certificates.

Worked out in exhaustive detail and being put into effect by a wide organization of local citizens, it has attracted much attention and won official designation as "The Chatham Plan." Especially if it achieves the success its sponsors expect, the Chatham Plan promises to become the pattern for similar drives throughout Canada. It is regarded by those taking part, or who otherwise know of the scheme, as providing a potential master blueprint for the nation-wide campaign being planned to boost certificate saving.

While this particular effort has been worked out to fit a population of about 50,000 (e.g. Chatham), its basic features and detailed mechanics have been so completely crystallized that it can be expanded or condensed to function in areas of almost any size.

Sponsors of the Chatham plan have worked out minutely, and recorded in written or other graphic form, every conceivable phase of the scheme. Included are detailed instructions for committee chairmen and members; for newspaper, poster and radio advertising schedules; itemized plans for parades, mass meetings and other public demonstrations.

The plan is being put into operation by the war savings certificate Committee for Chatham and district, under the chairmanship of S. A. Morse, president of Union Gas Co. The extensive organization required to implement the scheme is made up of committees of Chatham business men and citizens. The entire drive has the active collaboration and support of the War Savings Certificate Committee for Essex, Kent and Lambton Counties.

When certificate sales in Chatham showed signs of persistent lagging, as in many other centres, Chairman Morse of the Chatham committee cast around for a way to put saving into high gear.

Mass Appeal Blitzkrieg

Mr. Morse concluded that savings campaigns and appeals to date have been sadly lacking in "oomph"; have failed to realize that the real battlefield of the war is in the public mind, especially in regard to a united support of the war effort and need for full, concrete contribution to such phases as war finance.

To defeat apathy and to win enthusiastic aid of all citizens, Mr. Morse convinced the Chatham committee that a vigorous, spectacular drive was necessary. Into this would be concentrated every possible means of appealing to patriotism and desire for war service.

It would then be necessary to channel the consequent enthusiasm into war savings and certificates buying.

As the campaign is aimed at convincing an entire community—men, women and children—that saving is vital to war victory, the objective is to get every citizen to buy or subscribe for certificates, rather than to sell a given volume of certificates on a money basis.

Opening Blast

While there is to be a week of active campaigning, the most intensive drive will be a tremendous blast of publicity, parades, mass meetings, aerial and street demonstrations, and other features on the opening two days. The campaign is being launched the evening of Friday, Dec. 6, with the ringing of church bells, bursting of percussion bombs above the city, blowing of factory whistles, the din of auto horns and fire sirens.

This will signal the start of parades led by bands from three different points on the outskirts of the city, converging downtown and proceeding to a mass meeting at which prominent speakers will launch the Chatham Plan. The drive will get into full swing the following day, with posters, window displays, street banners, decorated homes and places of business, "air raid shelters," and other devices making Chatham citizens war saving conscious at every turn.

The spectacular features of the campaign are planned to reach their peak at noon on the Saturday (Dec. 7) with a "bombing raid" on Chatham. The planes taking part will likely include machines from Camp Border, from the Norwegian air training base in Toronto, and Selfridge Field, near Detroit. Again church bells will ring, whistles blow, aerial bombs burst.

In addition to bringing home the potential threat of war to Chatham, the "raid" will spotlight the theme of the campaign by the dropping of 500,000 "bombs"—paper leaflets carrying a reproduction of a real bomb and the inscription: "Buy a Bomb to Beat Hitler."

Some 5,000 of the leaflets will be "lucky bombs" entitling the finder to double value for every war savings stamp or certificate he buys.

Big Flagpole

Parades of military, patriotic and other organizations will also feature the opening Saturday. Soldiers and nurses will staff the "air raid shelters" where certificates will be sold. Sunday, reference to the campaign will be made during church services, and a drumhead service will be held at the city Cenotaph Sunday afternoon.

Downtown will be erected a tall flagpole, on which the height of the flag will denote the progress of the drive.

Demonstrations and parades by army tanks will also feature the campaign, and at night army searchlights will swing their beams across the sky and practice blackouts will be staged in the business district. During the blackout, merchants in the area involved will put on special drives to spur sales of war savings certificates, possibly selling goods for a specified period in exchange for war savings stamps.

After a full week of drive, the campaign will be climaxed on the final Saturday with parades, a downtown street carnival, and a "mile of quarters" stunt. With the aid of bands, street speakers and other attention-getters, citizens will be urged to lay money for war savings stamps on a mile-long strip painted red, white and blue.

Tied in with this will be progress of an army tank down the main street. The tank will move a foot for every dollar contributed to the campaign.

Full co-operation of the local radio station will include "spot announcements" about the campaign, rebroadcasts of presentations from the "Canada at War" and "Let's Face the Facts" series, brief dramatic skits by local groups, and a big variety show centred on "auction" of savings certificates.

Theatres will swing in behind the campaign by presenting such stirring films as "The Lion Has Wings," opening their stages for brief appeals by campaign speakers, and showing campaign slides.

Posters, Window Cards

All of the 73 poster billboards in the Chatham district will carry large red, black and white appeals for support, through the co-operation of national advertisers. Similar sheets in smaller size will adorn wall space and window cards in stores. Campaign stickers will appear on auto windshields, restaurant menus, pay envelopes, and business correspondence. Full page newspaper advertisements will appear daily throughout the week.

School children will write essays about the campaign and the need for war saving. Merchants and business houses will aid the drive by special window displays—for which prizes will be awarded—and by offering special discounts and other inducements to purchase war savings certificates and stamps.

Actual sale of stamps and certificates will be channelled through the downtown "air raid shelters," banks, other strategic offices, and through an exhaustive canvass of all homes and places of business. The aim is not so much to sell a set dollar volume as to enlist every man, woman and child who is able in a long-term programme of war saving. Interest will be maintained for a time after the week's drive by continuance of the poster showings and newspaper advertising.

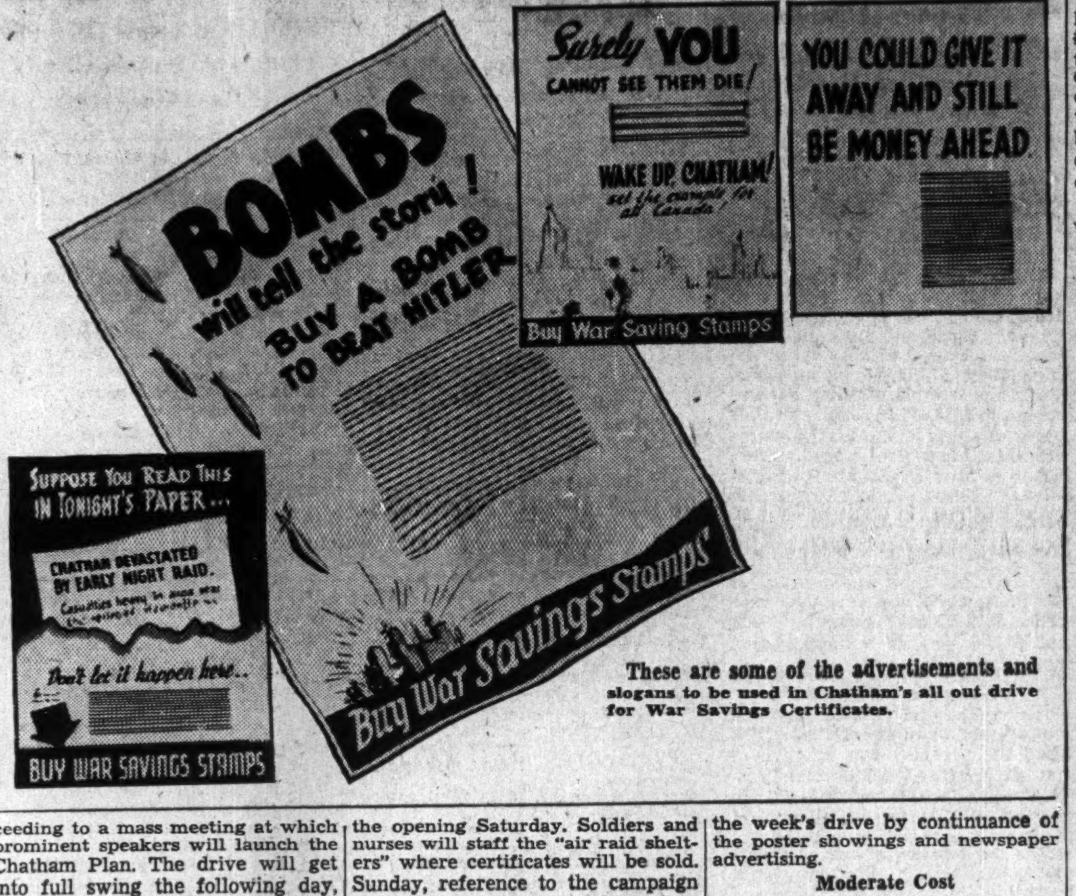
Moderate Cost

While such an elaborate and intensive drive requires some outlay it is expected the net expense of the Chatham Plan will be relatively low. The sponsors are especially confident that the unit cost per dollar or per person sold will be very modest. It is pointed out that the staging and success of the scheme are vitally dependent upon complete co-operation of community interests, thus holding expenses at a minimum.

A basic essential for success of such a campaign, it is emphasized, is that business and community leaders shall first be fully "sold" on the idea, and then actively enrolled in the organization and staging of the drive.

How well this has been achieved in Chatham is reflected in the comment of M. L. Kane, general sales manager of Union Gas Co. and general manager of the war savings campaign. He says:

"The community here is behind this effort to such a degree that I wonder how the bricks and mortar of the town are going to stand up under the enthusiasm that surely is going to break out in full force on Dec. 6."



These are some of the advertisements and slogans to be used in Chatham's all out drive for War Savings Certificates.

This carefully conceived plan gets its tryout next week. It is of interest to every Canadian who is or who may be invested with responsibility for inducing citizens of his community to get behind war savings.

Expect Pattullo Election Move Early in Spring

From Our Own Correspondent

VANCOUVER.—There is small prospect of any important new legislation being brought down during the present session of the British Columbia Legislature. This is partly due to war conditions and partly to the fact that an election is likely to be held some time next year and another session of the house is predicted for the early spring.

Such issues as health insurance will be laid over until a later date.

Premier Pattullo's reluctance to give wholehearted support to the Sirois report's recommendations has been one of the interesting developments of the present session, and it may be that his attitude will provide the chief campaign issue of the expected 1941 election.

Mr. Pattullo states that he has no objection to wartime co-operation with the Federal Government for the exertion of the maximum effort; but he does not relish the idea of being "hogtied and hamstrung" by Ottawa over fiscal policy. His reference is understood to be chiefly to the proposed reshuffling of taxation which would deprive the provinces of some of their largest sources of income.

Meanwhile the budget of Hon. John Hart, minister of finance, has received a good deal of unexpected criticism not only from the Conservatives but from the Liberal press, chiefly on the grounds that it makes little or no provision for wartime retrenchment. While Mr. Hart has balanced his budget for the first time in several years and declares a surplus on the current year's expenses amounting to more than $6 millions, expenditures are at an all-time high level.

Manitoba Relief Declines 43%

Manitoba relief costs of $383,961 in August were down 43% from $676,234 reported in the same month of 1939, according to the Dept. of Public Works and Labor, Winnipeg. The figure is off about $10,000 from total of $393,171 in July. Number of people on relief in August was 41,715, down over 5,000 from July and more than 16,000 from Aug., 1939.

Among the larger municipalities, biggest drop was 69% for Fort Garry, a suburb of Winnipeg. Brandon was next with a decline of 45%, while third was Brooklands—another Winnipeg suburb—with a drop of over 40%. Figures for all the larger municipalities follow:

Manitoba Relief Expenditures
Principal Cities and Towns

	— August — 1940 $	1939 $	Decr. %
Winnipeg	126,332	174,065	27.4
Brandon	3,049	5,516	44.7
St. Boniface	15,673	17,082	8.2
St. Vital	7,034	10,316	31.8
St. James	6,256	10,279	39.1
Fort Garry	872	2,797	68.8
Transcona	2,007	2,565	21.8
Kildonan East	6,263	8,518	26.5
Kildonan West	3,728	4,804	22.4
Brooklands	1,299	2,172	40.2
Portage la Prairie	1,771	2,804	36.8

BACHELOR Cigars
100% HAVANA FILLER 10¢

The most economical
The best performing
The most beautiful
AND THE LOWEST-PRICED EVER!
Cadillac V-8
Once again Cadillac sets the whole motoring world talking, by presenting, at a time of increased car prices, a V-8 priced lower than any Cadillac V-8 has ever been before! Visit your dealer today for a look and a ride.
CAD-341

STYLE and QUALITY LEADERSHIP for over a Century
Bond Street Line priced at $11.00
Dack Shoes have stood the test of time. Every pair is backed by more than 100 years of experienced craftsmanship. That's why Dack's give you snug fit and superlative comfort—from the first time on. That's why Dack's are famous for sturdy quality and "thrifty mileage". That's why Dack's have an individuality of their own—yet reflect the newest in authentic styling. You'll always be glad you chose Dack Shoes.
MAIL ORDERS FILLED WRITE FOR CATALOGUE
Dack's SHOES FOR MEN
73 King St. W., Toronto
DS-1540
SHOPS IN PRINCIPAL CANADIAN CITIES

Winding the stator of a 2800 HP Synchronous Grinder Motor at the English Electric Plant at St. Catharines, Ont.
E CANADA
SERVICE as wide as CANADA!
Electrical apparatus is bought . . . not for what it is, but for what it does.
Whether it is a giant transformer or a simple disconnecting switch, every English Electric product is designed and built to give long, efficient, trouble-free service.
But the responsibility of English Electric does not end when the order is filled and the product delivered.
Back of the product itself stands a nation-wide organization whose business it is to see that your requirements are promptly met . . . that your problems are expertly solved . . . and that you receive value in uninterrupted service from your electrical equipment.
From Halifax to Vancouver . . . in every section of Canada where electric power is used . . . English Electric men are available and ready at all times to supply modern, Made in Canada equipment, and courteous, competent attention to every electrical need.
ENGLISH ELECTRIC COMPANY OF CANADA, LIMITED
40-C
Head Office and Factory: ST. CATHARINES, ONT. • District Offices: TORONTO, MONTREAL, VANCOUVER, KIRKLAND LAKE
Represented by: RAILWAY & POWER ENGINEERING CORP., LIMITED, WINNIPEG • GORMANS LIMITED, EDMONTON
FLECK BROS., LIMITED, VANCOUVER • J. D. ROBERTS, OTTAWA • FOULIS ENGINEERING SALES CO., HALIFAX

The Coming Revolt in France (See This Page)

THE FINANCIAL POST

Largest Circulation of All Canadian Financial Papers

Vol. XXXIV | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, NOVEMBER 30, 1940 | 10c a Copy; $5.00 a Year | No. 48

How to Invest NOW; What Experts Learned

S. C. Scobell

Winner of first prize in the contest a year ago, Mr. Scobell is partner in the investment firm of Jones, Heward & Co., Montreal.

A year ago we were all somewhat deluded. Investment policy was still being influenced by the fundamental belief that a lively expansion in corporate earning power was possible during wartime. In fact I even suggested the purchase of certain "temporarily overvalued and countercycle stocks" in the anticipation that the basic earnings trend was vigorously upward.

Obviously a change in policy was justified many months ago. Today it is still equally imperative. Emphasis, I believe, should be placed on present income, and not on an increase in future income which generally will be severely curtailed by new taxes. Excess profits, and income, taxes alone will take about 85% of any excess earnings. Therefore, the fact that a ceiling has been placed over most corporate earnings must be given due consideration.

But common stocks, in relation to bonds, are still cheap. If the gap between stock yields and bond yields were smaller, wholesale liquidation of equities would be in order. But, as inflation influences are at work (although still almost completely overshadowed by the deflationary action of Ottawa), stocks should not be jettisoned, especially as higher earnings will enable corporations to improve the efficiency of their properties.

Switch Bonds

Coming to the actual portfolio, the following changes would seem advisable: In the defensive fund the policy of revolving bond maturities should be followed. Despite a rise in the bond market the investor can increase his bond yield by selling Dominion of Canada, 5s, 1941, which, before personal income taxes, yield only 1.22%, and buying Dominion of Canada second war loan, 3s, 1949-52 to yield 3.125%. This change will not alter the average maturity of the total fund as it existed a year ago. For certain investors, however, more drastic changes might be in order, especially where personal income taxes will unduly reduce the yield on premium bonds.

A realignment of the basic fund also appears in order. Ogilvie Flour Mills, for instance, yields about 4% and might be switched into Lake of the Woods preferred, yielding about 6½%. Steel of Canada preferred might give way to a medium grade preferred such as Howard Smith, yielding 6%. At present prices Steel of Canada preferred yields only 2¼%, and, while an increase in the dividend is to be expected, it is unlikely that such an increase will produce better than a 4% return. International Nickel or Smelters might also be eliminated, but not both. And a certain amount of selling of other securities in this fund would probably be in order at a later date.

Move Against Trend

Turning to the aggressive fund, we find a somewhat different condition. Most of the securities in this portion of the portfolio will not be as severely affected by excess profits and income taxes. The "growth stocks" have continued to move consistently against the trend but the outlook for Industrial Acceptance A is not quite as satisfactory, due to possibly smaller automobile sales, and an opportunity will probably arise where it could satisfactorily be switched into Moore Corporation.

The cyclical speculations may stand for the time being, although National Steel Car even at current prices is not as attractive as it was a year ago at 71¼. Although severely criticized, the four gold stocks have done relatively well and still seem to represent better risks than the senior producers in view of the major problem facing the industry.

Anglo-Canadian Oil and Home Oil may be held but the outlook for Asbestos has become somewhat more clouded and as appreciation possibilities are now less promising the stock is entering the doubtful class.

Original Portfolio
The Defensive Fund

$			Cost Oct. 14 1939 $	Value Oct. 31 1940 $
2,000	Dom. of Can.	5/41	2,120	2,070
2,000	Dom. of Can.	3/42	2,040	2,065
2,000	Ontario	6/43	2,200	2,160
2,000	C.N.R.	3/44	2,020	2,065
2,000	Ontario	2½/45	1,940	1,990
2,000	C.N.R.	2¼/46	1,920	1,992
2,000	Quebec	3/47	1,820	1,900
2,000	Ontario	5/48	2,200	2,210

The Basic Fund

Shares:		Cost	Value
5	Bell Telephone	815	777
50	B. A. Oil	1,150	900
60	Building Products	1,020	855
10	Canada Packers	1,000	873
5	Can. Bank of Commerce	777	755
5	Can. Industries B	1,130	1,105
20	Can. Westinghouse	1,040	820
20	Consol. Smelters	1,010	800
50	Ford A	1,025	832
15	Goodyear Tire	1,275	1,110
20	Inter. Nickel	970	740
15	Noranda Mines	1,140	881
25	Ogilvie Flour	887	613
25	Royalite Oil	1,000	556
80	Shawinigan	1,119	912
10	Steel of Canada, pref.	830	750

The Aggressive Fund

		Cost	Value
Growth Stocks—			
60	Can. Breweries, pref.	1,102	1,545
40	Crown Cork	1,000	1,080
50	Fanny Farmer	1,125	1,350
40	Indust. Acceptance A	980	780
Cyclical Speculations—			
$2,000	Abitibi 5% bonds	1,260	1,385
60	Dosco	1,005	585
100	Fleet Aircraft	962	500
65	Howard Smith	1,056	810
15	Nat. Steel Car	1,069	656
Primary Producers—			
50	Asbestos	1,200	787
1,000	Anglo-Canadian	1,070	600
800	Coniaurum Mines	1,080	1,120
400	Home Oil	1,100	880
900	Kirkland Lake	1,080	864
600	Perron Gold	1,080	1,080
200	Lamaque	1,280	980
	Total	49,897	44,865

H. J. Bird

Winner of second prize, Mr. Bird is president of Empire Securities Co., Vancouver.

Admittedly the problem of "Investing in Wartime" is difficult, judging from what has transpired during the past 14 months. An examination of my entry in the contest reveals the following when compared with current market valuations and prospects for the future:

1. The 20% of the fund invested in Government bonds has appreciated from a cost of $10,310 to a current replacement value of $10,450. The 30% of the fund invested in dividend paying preferred stocks has appreciated from a cost of $14,900 to a current replacement value of $16,000, showing an appreciation of $1,100.

The income in these two groups is approximately the same, all being at a fixed rate of return.

2. I have not done so well with my two common stock groups. The list of common stocks submitted for appreciation have declined in total market value from a cost price of $14,600 to a current replacement value of $11,547.50, or a net loss at current valuations of $3,052.50.

My list of common stocks for income has also declined from a total cost price of $9,995 to a current market valuation of $8,840, or a loss of $1,155.

Thus it may be seen that the common stocks which I recommended a year ago for income and appreciation have shown a total decline in market value of $4,207.50. Deducting from this amount the netted appreciation in the value of bonds and preferred stocks of $1,240 my whole list shows a net loss of $2,967.50, or approximately 6% of the $50,000 to be invested.

During this period, however, approximately $2,500 was received in income by way of bond interest and dividends. Therefore, for purposes of comparison we might say that had the entire fund been left in cash the investor would have been $462.50 better off so far as his principal was concerned.

Need New Yardsticks

Ordinary peacetime yardsticks, which in the long run govern security values such as general economic prosperity, the trend in corporate earnings, have gone by the board. The market is now governed by a set of new factors, the most important of which is the European war. The recent trend of events clearly indicates that the so-called European war is spreading into a world war with the Axis Powers coming to grips with all governments who do not believe in their ideology of conquest as a substitute for national integrity and friendly co-operation with other countries.

The second most important factor in the writer's opinion is the obvious fact that the huge cost of the present war must come out of the savings of the people through taxation and also from corporate earnings.

Is it not reasonable, therefore, to assume that a businessman would have little incentive to adopt a large scale investment programme in common stocks under these conditions?

Judging by the past performance of my list which clearly shows that high-grade bonds and preferred stocks have fared better than any other group of securities, I am, therefore, disposed to eliminate a number of the common stocks which I previously recommended and substitute additional bonds and common stocks. For the purpose of clarity and simplicity I am appending hereto a new schedule to be added to my present bond and preferred stock list, which comprises approximately 50% of the invested total.

Replacements Suggested

Corporation Bonds: $			Cost $	Inc. $
1,000	C.P.R.	3/45	940	30
1,000	Algoma Steel	5/48	1,067	50
1,000	United Grain	5/48	990	50
1,000	McColl Frontenac	4¼/49	1,038	42
1,000	Gen. Steel Wares	4½/51	1,010	45
1,000	Massey-Harris	4¼/54	940	42
1,000	Dom. Steel & Coal	6½/55	1,080	63
1,000	Price Bros.	5/57	1,000	50
1,000	Canada Steamship	5/57	987	50
1,000	N. S. Steel	3½/63	880	35
10,000 par value			9,932	457
Common Stocks:				
25	Steel of Canada		1,894	44
50	Ogilvie		1,250	50
20	Canada Packers		1,760	80
50	Inter. Nickel		1,938	100
50	National Steel Car		2,250	100
25	Noranda Mines		1,486	100
100	Ford of Canada		1,800	100
75	British Amer. Oil		1,462	75
			13,840	649

Recapitulation:	Capital Invested %	Income %
Government bonds	20	19
Corporation bonds	20	22
Preferred stocks	32	27
Common stocks	28	32
	100	100

Total income $2,011.25. Average yield approximately 4%.

Original Portfolio

		Cost Oct. 21 1939 $	Value Oct. 31 1940 $
Bonds: $			
5,000	Dominion 4%, 1945	5,230	5,263
5,000	Dominion, 3½%, 1940	5,080	5,112
Preferred Stocks: Shares:			
50	Can. Celanese	5,600	6,250
100	Goodyear Tire	5,500	5,500
40	Simpson's Ltd.	3,800	3,980
	Total	14,900	15,730
Common Stocks for Appreciation:			
25	Steel of Can.	2,175	1,862
50	Dominion Bridge	2,250	1,350
50	Ogilvie Flour	1,750	1,225
100	Imperial Oil	1,800	1,050
20	Can. Packers	2,000	1,745
25	Dom. Textile	2,225	2,075
50	Inter Nickel	2,400	1,850
	Total	14,600	11,157
Common Stocks for Income:			
10	Bell Telephone	1,620	1,555
50	Shawinigan	1,150	913
10	Bank of Montreal	1,950	1,850
50	Hiram Walker	2,075	2,050
50	Dome Mines	1,400	1,150
50	Lake Shore	1,800	975
	Total	9,995	8,493
	Grand Total	49,805	45,755

Investing in Wartime

What is the wisest investment policy today? What are the best kinds of securities to have; what are the best to dispose of?

One year ago, Canada's leading investment analysts set forth in The Financial Post lists of securities which, in their opinion, offered the best combination of security and income under war conditions. They were entrants in The Post's famous contest "Investing in Wartime." In a review a fortnight ago, it was found that the winning portfolios stood up much better than the security markets in general.

The Post has invited contestants to review the $50,000 portfolios they selected a year ago; change them, if desirable, in the light of present conditions and probabilities.

Herewith is the first of a series of letters setting forth those changes.

Here, briefly, are their general recommendations:

S. C. Scobell
1. Protect present income which rising taxes will hit hard.
2. Stick to stocks while inflation forces work.

H. J. Bird
1. His bond selections did better than stocks.
2. He would eliminate some common stocks, add others and bonds.

D. J. Agnew
1. Buy war loans to protect capital, aid war effort.
2. Hold to well-selected common stock list.

Thomas Andrews
1. Finds faith in gold stocks well justified.
2. Suggests adding some bank stocks to portfolio now.

D. J. Agnew

Awarded honorable mention, Mr. Agnew is investment officer, The Lambton Loan & Investment Co.

Forecasting is always hazardous and often disastrous. And to look back in the light of present facts on forecasts made a year ago is, to say the least, embarrassing.

Yet in the light of what has happened in the last 13 months in the military and political arena it is encouraging to find that the portfolio which I submitted to The Financial Post "Investing in Wartime" contest has performed so well. There has been a loss on capital account in my portfolio of $4,055 compared with a loss of about $5,032 in the case of the winning portfolio. At the same time, my portfolio has shown an increase in income of $140 per annum, and the yield on the original investment has increased from 4.01% to 4.32%.

At the time the portfolio was constructed, it was built upon five main premises.

The first premise was that "the war would last three years and that therefore the problem of investing was a long-run problem." This premise now seems conservative, as the first year of the war has tended to increase rather than decrease estimates of its duration. Selection of wartime investments, therefore, would seem to remain a long-run problem, and its consideration should not be unduly influenced by unfavorable short-run market action.

The second premise, that "Canada would become one of the main production agents for war supplies, and that this would produce an industrial boom of increasing proportions" has in fact been realized, and industrial output has now reached a new all-time high level. Further, the prospect is that with the industrial expansions which have taken place, even higher productive levels will be attained in the future.

"As greater financing would be required for this war than for that of 1914-1918, and because of the relatively high level of taxation, some inflation would take place in Canada." This premise has not as yet been realized, but I do not believe that the prospect has been completely eliminated. It is probable that Canadian business operations will, in the not too distant future, reach capacity, and then and only then will the danger of inflation become real. I therefore feel that this premise must still be considered and that most issues which were purchased in hope of an inflationary movement should be retained.

This One More Remote

The premise that "the exigencies of governmental and industrial finance would produce a demand for new capital that would be so persistent as to force rising interest rates" appears now to be more remote than when war was declared. It is quite possible that the forecasts that this will be a 3% war will be realized, although the true test will come when Britain is making the victory push and our war effort is greatly accelerated. However, it does seem that "rate of interest" has, to a great degree, been discarded as a dominating feature in the purchase of investments, and has been replaced by "stability of price." It would seem to follow, therefore, that any additions to my portfolio should be in the form of high-grade Government bonds, and as there was a cash allowance of $10,000 in the original portfolio, this should be invested now in Government war loans.

My fifth premise was that "all industries that are established purely to provide war materials will not be permitted to make excessive profits." This forecast, of course, has been fully realized. Although the final and complete effect of the excess profits tax is not as yet apparent, it has been proved that securities of companies dependent solely on war contracts have not been giving the best market performance. It may well be that the effect of the excess profits tax has been overly stressed, and that it has become too much of a bogey to the investor. Under our present system, some profits must remain if the production rate is to be maintained, and increasing profits must be allowed if industrial expansion is to meet the diverse and large scale demands of war.

Bonds Did Well

The experience of the first year of war indicates that Government bond purchases have proved rather more satisfactory than anticipated, and that investments in common stocks have been rather less satisfactory. This is not to say that common stocks will not provide a better performance in the future. It seems impossible that successive new records in industrial output on a stable or slightly rising price level will not bring increased earnings or at least a great improvement in financial position. In either case, it is favorable to the investor. This prospect must ultimately be realized, and will be reflected in gradually improving (but not sharply higher) prices for common stocks. But this eventuality may not become fact until prosecution of the war becomes more aggressive and more successful from our point of view.

In conclusion, I believe that the investor during the present war period would be well advised to obtain security of capital by contributing to Canada's war effort through the purchase of war loan bonds, and that his portfolio should take into account the prospect of some minor inflationary movement through the maintenance of common stocks. These stocks should be confined to companies whose financial record is sound, companies which are currently earning at least 60% more than dividend requirements, and are engaged in industries which are not solely dependent on wartime requirements.

Original Agnew Portfolio

Bonds: $	Company:	Cost Oct. 16 1939 $	Value Oct. 31 1940 $
3,000	Algoma Steel, 5/48	3,450	3,090
3,000	Dom. Stl. & C'l., 6½/55	3,360	3,180
1,000	N. S. Stl. & C'l, 3½/63	850	840
1,000	Dominion Tar, 4½/51	990	1,010
1,000	Candn. Pacific, 3/45	860	920
1,000	Unit. Gr. Grow., 5/48	980	960
For Maintenance of Capital: Shares:			
25	McColl-Frontenac, pf.	2,275	2,400
15	Ogilvie Flour, pfd.	2,340	2,250
25	Noranda	1,875	1,460
40	McIntyre	2,040	2,190
150	Hollinger	2,100	1,950
250	Wright-Hargreaves	1,950	1,362
For Capital Apreciation:			
100	B. A. Oil	2,300	1,812
100	Ford of Canada	2,300	1,725
20	Consolidated Smelters	1,000	800
50	Cosmos Imperial	1,300	1,350
40	Dominion Bridge	1,800	1,080
25	Dom. Found. & Steel	875	600
90	Wilsil, Ltd.	2,070	1,733
10	Massey-Harris, pfd.	600	340
80	Can. Steamship, pf.	1,080	960
40	Canadian Celanese	920	1,230
40	Lake of Woods, com.	1,080	680
50	Gen. Steel Wares	300	321
50	Price Bros., com.	1,050	675
Cash:			
$10,000		10,000	10,000
		49,945	45,000

Thomas Andrews

Awarded honorable mention, Mr. Andrews is manager, Bank of Montreal, Cornwall.

On reviewing the list of securities I recommended a year ago, I find there has been a capital depreciation of approximately $4,000, but that income for 1940 will be increased by $450, bringing my average yield to 5.5% as compared with 4.6% in October, 1939. I am quite satisfied with this result. The extra income will cover nicely the drastic revision in income taxes, and reasonable fluctuations in capital values do not worry me.

The past year has been a most astonishing one in security markets. In the first place, despite the issue of over $500 millions in new Dominion bonds, the yield is about the same as it was a year ago, and my prediction of a 4% yield by 1941 is not going to be realized. I am well satisfied, however, with my purchase of Dominion 5%, 1941, bonds and shall hold them at least until next spring, when a favorable conversion may be expected, although a lower yield than I originally anticipated is inevitable. The steadiness of Government bond prices is a tribute to Bank of Canada methods, supported by the confidence of the Canadian people in their own destiny.

War Babies Disappointing

Secondly, the performance of war stocks, by which I mean steels, base metals and others contributing directly to the war effort, has been the reverse of what was expected. The reasons are obvious. Increased costs, heavy taxation and strict control of prices have all been depressing factors, but of more importance still, and affecting not only war stocks but all other equities, are: (a) restrictions imposed by the Foreign Exchange Control Board, which have had the effect of drying up practically all foreign buying, and (b) the repatriation of Canadian securities from Great Britain. The withdrawal of British and American investors from the Canadian market has, of course, immediately reduced the demand for our securities, and the orderly selling of the Canadian securities now being repatriated will continue to hold prices down. Add to this the purchase by Canadians of $500 millions of Government bonds during the year, and the probability of new issues in the near future, and the wonder is not that stock prices are low, but that there is any market for stocks at all.

Right on Gold

Turning for a moment to the gold stocks I selected, I invested rather heavily in these issues in the firm belief that gold would continue its predominant rôle, both in international affairs and in our own domestic economy. Events have proved this contention right, and our exchange problems have been considerably eased through our gold exports. Production of the metal should continue to expand under government encouragement. The three junior golds I selected have more than fulfilled their early promise, and present dividends should be at least maintained.

In reviewing my whole list, it might be wise, in view of the unpredictable trend of the market, to diversify the portfolio somewhat further, and I would suggest selling 50 shares each of Nickel and Noranda, and buying one of the leading bank stocks, on the principle that the general industrial activity indicated will be reflected in increased bank earnings. At present I do not recommend any other changes.

Original Portfolio

$	Security:	Cost Oct. 9 1939 $	Value Oct. 31 1940 $
10,000	Dominion, 5%, 1941	10,650	10,350
Shares:			
Base Metals:			
100	Inter. Nickel	4,675	3,700
100	Noranda Mines	7,275	5,875
Automobile Equipment:			
100	Ford of Canada, A	2,162	1,725
50	National Steel Car	3,275	2,187
Food and Milling:			
100	Loblaw Groc., A	2,700	2,650
100	Ogilvie Milling, com.	3,500	2,450
Oil:			
100	B. A. Oil	2,300	1,813
Textiles:			
50	Dom. Textile, com.	4,306	4,150
Gold Mines:			
50	McIntyre Gold	2,431	2,737
100	Dome Gold	2,775	2,300
100	Bralorne Gold	1,063	1,000
500	East Malartic	1,175	1,600
500	Preston East Dome	690	1,425
500	Kerr Addison	885	1,375
	Total	49,862	45,537

Why France is Still Britain's Ally Waiting Chance to Help Us

Famous European Writer Declares Mass of French People Await First Opportunity to Rise Against Nazi Invaders—He Already Sees Signs of German Grip Over Vichy Government Weakening

The following newsworthy and revealing picture of conditions inside France is part of an address which the celebrated foreign correspondent of The New York Times, P. J. Philip, delivered at an Empire Club luncheon in Toronto last week.

Mr. Philip, now The Times' Canadian correspondent, was born in Scotland, covered Germany's preparations for Great War I, and covered that war through The Times Paris Bureau. Most of the past quarter century he has worked as a newswriter in Europe.

By PERCY JAMES PHILIP

On this continent I have found a tendency to ascribe the French defeat to fifth column and treachery.

A lot of French people didn't have their minds and hearts in the war, that is true. They were all worried about how to improve their own country, but, militarily, they were absolutely licked in May and June. And during the confusion with all those people who had evacuated the towns and cities of the north, a few men seized the Government and made an armistice with the Germans because they believed that we would be licked too.

That was their vital mistake. They predicated their whole position on the fact that within a week or two Britain would be defeated and it was much better that they should in the moment of panic make a peace with the Germans. But we haven't weakened. We are still fighting, and that has made an enormous difference in France.

They know now in France that their only hope is that we shall go on fighting and that we shall win.

The last Frenchman with whom I talked in France was right on the opposite side of the country from his home. He hadn't had any news of his wife and children for five months. He knew the Germans were turning people out of Alsace. There was nothing he could do about it.

Once he found I was English he kept saying, "But the war isn't over yet. I know you English will hold and we will fight again. We aren't finished yet."

Spirit of Revolt

During the nearly three months that I stayed in France after the Armistice, I found that spirit all the time, everywhere, among the common people. There is no thought in my mind that the French will ever co-operate with the Germans in fighting us. It just isn't possible. That spirit of revolt against the Germans gets stronger than ever.

The Vichy Government is made up of two men—Marshal Petain and M. Pierre Laval. The old Marshal was persuaded at Bordeaux to vote against continuing the war and to seek an armistice by Laval and those others that believed France beaten, that we couldn't win, and they would be able to obtain honorable terms from the Nazis.

The man who persuaded the Marshal was Pierre Laval. Now, Pierre Laval seems to have been wrong. France has not got honorable terms from Germany. Her people are held in an iron grip. They cannot send a letter or cross from one part of the country to another. They have no work, little food, little liberty and no hope.

From Lorraine, as from Alsace, they are being expelled in trainloads to make room for Hitler's Germans—thrown out with a suitcase and $30. Their rich farms, their factories, their shops and their homes are confiscated. Hitler hasn't kept his word with the French and they know it.

Then, he had the impertinence to suggest recently that he would release some of the 1,800,000 French prisoners he holds if the Vichy Government would hand over some ports and airfields from which he could attack England, and would collaborate in making a free peace.

That Man Laval

Laval was ready to accept. That man would sacrifice the last shred of his own and his country's honor and independence to satisfy his hatred of the British and his cockeyed belief in himself as a great statesman.

But the Marshal wouldn't accept. He knows now that his countrymen have recovered from their panic fear of last June; that the British bulldog won't let go; that the Nazis are not to be trusted; and that the tide both of popular feeling in France, and of the war has begun to turn.

Laval's friend, Mussolini, has had a most unfortunate time in Greece. Hitler has had to go out of his way again to make a new compact with his former enemies, the Communists.

These are signs that there is not a complete mastery of the situation on the side of the Axis. The Marshal is an upright man. He admitted the other day in one of the broadcasts that he has a rope around his neck. He has shown added strength in the last weeks and he is not admitting that the Germans shall go one hair's breadth beyond the terms of the armistice. For an old man of 84 to take up that position strongly is, to my mind, extremely encouraging.

Need for Clean-up

At the same time he has to conform to public demand for a clean-up in France. There was a lot of need for it. He must, at the same time he is resisting the Germans, try to build up a new state and a new conception of decency and integrity in public life.

You ask— But what about Dakar? My answer is the same. The great majority of the French people would rather we had taken Dakar and raised all North Africa to fight on our side. The attempt was made either too soon or too late—I think, myself, too soon. There are all kinds of intricate questions of personal and professional jealousy, of pride involved. We British are believers in letting things evolve slowly; in allowing for natural growth. That has been the secret of our success. It seemed to be the wise thing not to be too precipitate in our dealings with the French in Africa.

What is Weygand going to do? Weygand is a soldier, primarily a soldier. Like all soldiers, all except the political soldiers, he did not like the way things were being done in France, and he was immediately accused of being Nazi and Fascist. That wasn't true. He just wasn't in agreement with his Government.

And at the last moment he was suddenly thrown into fighting this most tremendous battle of all history, the Battle of France, which was already lost. He is an old man, a man with a great reputation, but I am certain that General Weygand is not, if he can possibly help it, going to go down to his grave leaving behind him only the memory that he was beaten in that tremendous battle.

French Will Rally

If he can win another battle he is going to do it, and the only chance to do it is with us in Africa. But he is a cautious man, he will take his time, and I think as long as we are holding, as long as we can push Mussolini up and down, we don't want to hurry the French. We will let that situation develop. Everything, it seems to me, points to the certainty that the French are with us and the French will rally again to us as soon as they can see the chance.

I noticed the other day a story that when Marshal Petain went to the Cathedral at Clermont Ferrand two German soldiers tried to take a photograph of him. One finds German soldiers all over the place, even in the unoccupied zone. Immediately the French crowd showed its disapproval by beginning to sing the Marseillaise. Nobody had sung it since the defeat and the capitulation.

That little story was to me a clear indication of how sentiment is moving. It confirms all that I saw and heard during the three months I spent in France after the armistice was signed, that the French may have been overwhelmed, but they aren't beaten.

And we are going to need them. We may be able to resist the German onslaught, but we shall never win the war without the sympathy of these invaded peoples, without the possibility of their ultimate revolt.

Haters of Tyranny

The Dutch and Belgian colonies are giving us their aid. There are Czechs, Poles, Danes, Norwegians, Dutch, Belgians and Frenchmen in our armies. That is the way we beat Napoleon—not ourselves only, but by drawing to us all the people who together hate tyranny and want freedom.

On Armistice Day there was an air raid alarm in Paris. The R. A. F. had flown over and dropped flowers

(Continued on page 13)

Pulp and Paper Industry

Paper Firms' Dividend Outlook

Extra Payments by St. Lawrence Reflect Better Position of Industry

From Our Own Correspondent

MONTREAL. — Increases in the regular dividend and payment of an extra on the Class A stock of St. Lawrence Corp., together with a resumption of dividends on the preferred stock of St. Lawrence Paper Mills, represent an important and significant development for holders of newsprint securities.

St. Lawrence Corp., which derives all of its revenue from Brompton, has increased the regular quarterly dividend from 20 to 25 cents a share. Moreover it has declared an extra dividend of 90 cents a share, making a total distribution out of this year's earnings of $1.75 a share. This contrasts with a distribution of $1.10 in 1939 and is the largest amount distributed by the company since 1930 when $2 a share was paid.

First Since 1931

Directors of St. Lawrence Paper Mills declared $2 on account of arrears as well as a quarterly dividend of 50 cents a share, the first since 1931. There is no positive indication that this is a set rate, but indications are that the company will endeavor to continue payment of 50 cents a share quarterly with interim payments on account of arrears.

These dividend declarations are worthy of more than passing note. In the case of St. Lawrence Corp., payments declared this year call for distribution of $521,624. Further they indicate that the company has received a revenue from its stock holdings in Brompton of an equal or even larger amount.

No official statement has been made as to the dividends declared by Brompton this year, but indications are that they amount to at least $1.75 a share on the 300,000 shares of common outstanding. It can also be assumed that these payments were made after provision for the maximum payment under the income and excess profits tax acts.

Bigger Profits Indicated

From this two deductions can be made. In the first place, the aggregate of dividends declared by Brompton was larger than for any year since 1930. Secondly, earnings this year, after provision for all charges, will be greater than for any year in the last 10 years.

The associated company, St. Lawrence Paper Mills, will distribute $354,640 to its preferred shareholders. At no other time in the last 10 years has the company had so much for distribution to shareholders.

Indicated earnings of St. Lawrence Paper Mills, after provision for all taxes, is better than $2.50 a share. In 1939 the company only earned 44 cents a share in the preferred. The last time the preferred dividend was fully covered was in 1930, when $6.85 a share was reported.

Others May Follow

The move made by the directors of St. Lawrence Corp. and St. Lawrence Flour Mills is likely to be followed by those of other companies. Lake St. John Power and Paper Co., the third unit in the St. Lawrence group, will probably pay a dividend on its preferred stock when results for the year can be determined. A dividend on Lake St. John Power common is hardly likely at this stage of recovery in earning power.

There is no question but that under ordinary circumstances, Abitibi would pay its full bond interest. In many quarters it has been suggested that the receiver should apply to the courts for permission to pay interest charges until the reorganization has been effected. The company is over supplied with working capital and as interest is being earned, there would appear to be no good reason why payment should not be made.

More to Come?

Price Bros. & Co. is paying regular dividends on its preferred stock and, even allowing for maximum payment of the excess profits tax, should be able to show profits available on its common stock as a result of operations this year.

Consolidated Paper Corp. will undoubtedly show its full bond interest and depreciation covered. How much remains for the common stock is problematical. However, the company does not have to meet bond interest until next July, by which time it is expected that interest will be paid in cash. This is on the assumption that net working capital will be in excess of $10 millions as called for under the agreement between the company and bondholders.

One point of interest in connection with Consolidated Paper's tax position is whether or not Ottawa will consider the bonds as bearing fixed interest or being on an income basis. If on an income basis then the company will have to pay excess profits taxes before providing for bond interest requirements.

Better Financial Position

Canadian International Paper's financial statement this year will most likely show an absence of red ink, a feature of reports for some time past. No dividends on capital stock are in prospect, however, in view of heavy indebtedness to parent company.

Great Lakes Paper is likely to have a bigger distribution on capital stock this year. So far there is no indication of what Donnacona Paper is likely to do. That company's earnings are considerably better than a year ago and it may swing into the dividend paying line.

The dividend policy of all the companies depends very largely on what reception they get from the Government on payment of the excess profits tax. The majority of the newsprint companies are definitely in the depressed industry class and the extent to which concessions are made will be the deciding factor respecting dividend policies on either 1940 or 1941 results.

Inter. Paper Share Profits Up Sharply

Earn Over $13 on Preferred to End of September — Less Than $1 in 1939

From Our Own Correspondent

MONTREAL.—Sharp expansion in sales and net profits is reported by International Paper & Power Co. In the three months ended Sept. 30, 1940, gross revenue at $42.9 millions compared with $29.2 millions for the like period a year ago. Net profits available on the capital stock at $3.9 millions compare with $635,133 a year ago. Earnings on the preferred stock for the past quarter amounted to around $4.30 a share, as against less than 70 cents a share for the months ended Sept. 30, 1939.

In connection with the third quarter statement, Richard J. Cullen, president, states consolidated net profit of $3.9 millions was after full provision for income and excess profits taxes for the quarter.

This figure does not include a credit of $1,377,465 representing excess provision made for taxes in the first half of the year, when a different law was under consideration. Out of the special reserve of $2 millions established during the second quarter in anticipation of passage of the excess profits tax law, only $622,535 was required to cover liabilities against earnings for the first half of the year until the law was finally enacted. Consequently, a credit of $1,377,465 was carried to surplus for the third quarter.

Earn $13 A Share

Net profit for the nine months ended Sept. 30, totalled $12.2 millions after full provision for income and excess profits taxes for the period. This amounts to $13.15 a share on the preferred stock. For the like nine months period of 1939, net profits amounted to $725,301, or 79 cents a share on the preferred stock.

Comparative figures on the consolidated profit and loss statement follow:

Consolidated Profit and Loss
Three Months Ended Sept. 30

	1940 $	1939 $
Gross sales	42,223,316	29,133,736
Other income	723,650	46,008
Total revenue	42,946,966	29,179,744
Less:		
Pulpwood, labor, etc.	21,337,752	18,488,801
Maintenance	2,574,754	1,625,733
Taxes	814,922	707,079
Freight exps.	5,966,993	3,796,923
Gen. expenses	1,694,272	1,402,546
B. D. reserve	151,566	153,057
Net revenue	10,406,707	3,005,604
Less:		
Int. on debt	733,579	797,167
Other interest	1,919	1,658
Debt discount	87,617	93,437
Depreciation	1,801,610	1,170,191
Depletion	250,760	208,613
Inc. and prof. taxes	3,578,626	82,057
Divds. accr. on subs.	14,943	17,348
Net profit	3,937,653	635,133
Add: Excess prov. for taxes	1,377,465	......
Net profit	5,315,118	635,133

9 Months Ended Sept. 30

	1940 $	1939 $
Gross sales	119,429,906	81,241,869
Other income	1,706,233	627,953
Total revenue	121,136,139	81,869,822
Less:		
Pulpwood, labor, etc.	64,216,803	52,033,952
Maintenance	6,630,797	4,539,053
Taxes	2,345,849	2,104,471
Freight expenses	15,512,595	10,584,433
General exps.	4,819,630	4,261,185
B. D. reserve	454,538	459,535
Net revenue	27,155,927	7,887,193
Less:		
Int. on debt	2,285,080	2,512,468
Other interest	3,470	2,268
Debt discount	263,492	280,313
Depreciation	4,189,117	3,518,075
Depletion	693,163	581,601
Inc. & prof. taxes	7,561,047	214,603
Divds. accr. on sub.	46,007	52,566
Net profit	12,214,551	725,301
Add: Excess prov. for taxes	......	......
Net profit	12,214,551	725,301

In the above consolidated profit and loss statements both sales and cost and expenses of foreign subsidiaries are stated on the basis of $4.43 for the pound sterling and at $1.00 for the Canadian dollar and in accordance with past practice, the companies have reflected in current operations all profits and losses on actual exchange transactions.

At Sept. 30, 1940, the undeclared cumulative dividends on the outstanding Cumulative Convertible 5% Preferred Stock amounted to $12.50 per share or a total of $11,574,187.50.

The above statements are subject to final adjustments at Dec. 31 (end of fiscal year).

Timber Probe Report Delayed

Ontario Committee to Wait for Findings of Abitibi Enquiry

Ontario's select committee of the legislature which held numerous sittings last spring enquiring into the running of the Department of Lands and Forests reconvened for one day on Nov. 20. After a brief sitting the committee decided not to present its report until after the Royal Commission sitting on Abitibi Power & Paper Co. has completed its work and prepared its report.

The select committee, however, is expected to have its report ready for the coming February session of the Ontario Legislature.

James M. Cooper, Liberal member for Sudbury, has been elected chairman of the committee to succeed Hon. Paul Leduc who resigned from the Government to accept the post of Registrar of the Supreme Court of Canada.

It is believed that the report will probably follow the lines forecast at the time public hearings ended last spring. For example, better control of pulpwood and raw pulp exports may be recommended. Prorating in the newsprint industry came in for lengthy discussion and the final result may be that continuation of this policy will be recommended but with closer co-operation between Ontario and Quebec to make its application more fair.

Uniform interpretation of forest regulations is needed between these two provinces, in the opinion of many, and this would probably be recommended.

From Our Own Correspondent

MONTREAL. — Informed newsprint circles here hold to the opinion that no action will be taken by the Ontario Government on the formulation of a new timber policy until after completion of the Abitibi enquiry.

The investigation was called for by Col. George A. Drew, opposition leader, who said he was less concerned with mistakes made in administration in the past than he was with the general problem of improving administration and of conserving forest wealth.

Inter. Paper & Power Bond Plans Advance

From Our Own Correspondent

MONTREAL. — International Paper and Power Co. is expected to refinance its bonds and notes either next month or January. The company has filed with the S.E.C. application covering $32 millions of first mortgage bonds which are underwritten by a group headed by the First Boston Corp. Proceeds will be used to retire substantially all funded debt of International Paper Co. and its subsidiaries in the United States.

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M. & O. Paper Hits Capacity

Recent Operations Hampered by Power Shortage —Liquid Assets Large

During July and August, mill operations for Minnesota & Ontario Paper Co. were at approximate capacity in all lines. September operations reflect a considerable reduction because of the water power situation.

A power shortage in the International Falls and Fort Frances area has resulted from deficient rainfall following lack of snow last winter. As a result M. & O. has had to buy substantial amounts of newsprint and some ground wood pulp from outside mills. Unless unusual autumn rains occur, this situation may continue for some time. Operating profits are reduced as a result. The power available from Winnipeg Electric Co. has averted a similar situation in the Kenora area.

Working Capital Ample

The trustees report that the company's cash position at Sept. 30 is amply sufficient for its requirements. On that date current assets were $10.5 millions and current liabilities $1.3 million. Cash totalled $5.2 millions.

The trustees report that the mill in Finland is continuing to operate in substantial volume. Unsettled conditions in Europe have largely suspended the operations of the Dutch and Danish companies and have seriously limited the operations of the English company. The latter is continuing some activity by purchasing material from the International Falls mills.

Regarding the reorganization now under way, the trustees report that substantially more than the requisite two-thirds in principal amount of bond creditors gave assent to the plan before Oct. 25. It is anticipated that about the end of November a petition for confirmation will be filed with the court. The court will fix a date for hearing on this quotation, probably giving a notice of about three or four weeks. The court hearing on this petition will likely be held early in Jan., 1941.

Gain in U. K. Shipments Features Newsprint Trade

From Our Own Correspondent

MONTREAL.—Sharp expansion in exports to the United Kingdom featured Canadian newsprint trade returns for October. During the month, shipments aggregated 25,307 tons, as against only 941 tons for October last year. In October last year shipping was disrupted by war.

Of considerably more interest is the opening of new markets, or the expansion of those which heretofore have been relatively unimportant in the Canadian newsprint trade. Last month shipments to British India amounted to 2,247 tons, whereas a year ago this market did not appear on the list. The same situation applies to Mexico, which took 5,099 tons of paper last month.

An interesting development in the trade last month was the decline in exports to the Argentine, 2,756 tons as against 9,182 tons a year ago. However, this was offset, to a large extent, by increased shipments to other South American markets, notably Brazil and Peru.

For the first 10 months of this year, overseas shipments of Canadian newsprint amounted to 559,032 tons. This was greater than for all of 1939, and leads to the expectation that returns for all of 1940 will establish an all-time record.

Breakdown of Returns

A breakdown of the export figures for October and the 10 months ended October, 1940, with comparative figures for 1939, follows:

CANADIAN NEWSPRINT EXPORTS
(in short tons)

	October 1940	October 1939	Ten Months 1940	Ten Months 1939
United Kingdom	25,307	941	125,893	166,569
Eire	307	......	7,140	8,862
Australia	6,762	4,428	147,196	113,968
New Zealand	2,388	1,114	25,408	22,649
British India, Burma and Ceylon	2,247	......	19,395	1,625
British South Africa	1,625	685	31,476	23,246
British West Indies	925	321	3,429	1,133
Other West Indies	50	1,435	1,685	2,921
Argentina	2,756	9,182	67,270	24,039
Brazil	2,512	1,211	27,450	1,648
Chile	27	469	6,527	469
Peru	1,456	33	6,949	33
Uruguay	347	220	6,453	220
Venezuela	219	563	3,226	2,442
Other South America	281	313	4,281	563
Central America	367	547	2,986	1,295
Mexico	5,099	......	23,699	29
Cuba	724	1,578	10,847	7,883
China	490	240	15,514	323
East Indies	1,391	439	9,416	1,663
Philippines	4	93	2,120	1,385
All others	1,763	3	10,402	2,606
Total overseas	57,047	23,815	559,032	385,571
U.S.A.	218,774	246,678	2,143,718	1,763,864
TOTAL EXPORTS	275,821	270,493	2,702,750	2,149,435

Abitibi Earnings Up in October

Indications Suggest Reduced Newsprint Shipments in November

Abitibi Power & Paper Co. reports a gain of 28.93% in earnings for October over the corresponding month a year ago. This is the smallest gain to be shown this year but cumulative results for the 10 months ended October are 168.70% ahead of last year. October earnings included $131,393 received as premium on U.S. exchange.

Newsprint shipments in October were almost the same as in the same month of last year at 37,210 tons. For the first 10 months this year, aggregate newsprint shipments have totalled 363,510 tons against 323,889 tons for all of 1939 and 291,480 tons for all of 1938. Present indications are that November shipments will be about 35,000 tons, substantially less than the 38,668 tons shipped in November, 1939.

Shipments of bleached sulphite pulp in October reached 5,152 tons, moderately under the 5,193 tons for October, 1939. Cumulative total for the first 10 months of this year amount to 61,972 tons well above the 45,819 tons reported for all of 1939. Estimated shipments for November will be about 6,000 tons compared with 5,185 tons in the same month last year.

Monthly Earnings

The receiver and manager reports net earnings of Abitibi and its subsidiaries, excluding Provincial Paper Limited, and The G. H. Mead Company, before depreciation and bond interest, but after interest on receiver's certificates. These figures subject to change at year-end audit.

	1940 $	1939 $	Incr. %
January	447,776	162,297	175.90
February	389,594	125,556	210.30
March	383,152	150,400	154.76
April	525,116	175,446	199.30
May	817,457	237,830	243.71
June	885,862	199,330	344.42
July	941,390	191,633	391.25
August	802,325	215,389	272.50
September	731,764	463,529	57.87
October	702,460	544,827	28.93
10 mos.	6,626,896	2,466,237	168.70

Sewall Values Land For N. S. National Park

From Our Own Correspondent

MONTREAL.—Nearly 200,000 acres of land in northern Cape Breton, which have been expropriated by the Nova Scotia Government for the Highlands National Park, have been evaluated by James W. Sewall, consulting forest engineer.

Company Reports

M. & O. Paper

Minnesota & Ontario Paper Co. reports net sales of $13.3 millions in the first nine months of 1940 compared with $10.7 millions in the corresponding period of 1939. The result is that net loss for the 1940 period is reduced to $78,862 compared with $1.6 million in the first three quarters of 1939.

It is pointed out that, while there was no appreciable variation between the U. S. and Canadian dollars in the 1939 period, the variation was substantial in 1940. Comparative figures follow:

Consol. Income and Surplus Account
(Excluding foreign subsidiaries and National Pole & Treating)
Nine Months Ended September 30

	1940 $	1939 $
Net sales	13,256,508	10,711,694
Less: Cost of sales	10,017,006	8,883,304
Gross profit	3,239,502	1,828,389
Less: Expenses	1,389,625	1,220,144
Net oper. profit	1,849,877	608,245
Add: Other income	73,399	88,946
Less: Other deduct.	70,468	91,751
Net avail. for int.	1,852,808	605,440
Less: Int. accr. but not paid	1,633,837	2,114,818
Extraord. inc. & deduct.	215,144	90,617
Provn. for inc. tax	122,728	......
Add: Unreal. profit on exchange	40,039	......
Net loss for period	78,862	1,599,995
Less: Prev. surplus†	1,119,702	689,412
Surplus forward	1,040,840	*910,583

*Deficit.

†Including appreciation from book write-up of properties amounting to not less than $24,246,915.

Deprec. accrued	601,624	587,603
Deplet., company lands	144,022	24,600

National Pole

National Pole & Treating Co., subsidiary of Minnesota & Ontario Paper Co., reports sales volume for the nine months ended Sept. 30, 1940, down about $130,000 from the corresponding period a year earlier. Reduced expenses and cost of sales more than offset the drop in sales, resulting in a lower net loss.

Balance sheet at Sept. 30, 1940, shows current assets of $1.1 million, with somewhat over one quarter of this in cash, and current liabilities of $63,708.

Income and Surplus Account
Nine Months Ended Sept. 30

	1940 $	1939 $
Sales (net)	1,047,449	1,171,364
Less: Cost of sales	945,943	1,097,339
Gross profit	101,506	74,025
Less: Expenses	96,025	100,618
Net oper. profit	5,471	*26,593
Add: Other inc.	5,114	3,879
Less: Other chgs.	3,707	24
Net earnings	6,878	*22,728
Less: Int. on f. d.	47,574	54,960
Amort., note exp.	1,692	2,438
Add: Gain on note retire.	15,040	26,974
Net loss	27,348	53,161
Less: Prev. surp.	534,999	645,050
Surplus forward	507,651	591,889
Depres. accrued	23,113	†29,731

*Loss.

†Includes $6,141 depletion.

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High Grade Bleached Sulphite Pulp

The SHERWIN-WILLIAMS Co. of Canada, Limited

and Wholly Owned Subsidiary Companies

Annual Report of Board of Directors for the Year Ending August 31, 1940

TO THE SHAREHOLDERS:

I take pleasure in submitting, on behalf of your Directors, the Consolidated Balance Sheet showing Assets and Liabilities of your Company at the close of its fiscal year August 31, 1940, together with the Consolidated Statement of Earned Surplus and Profits for that year.

Your Auditors, Messrs. Price, Waterhouse & Company, have examined the books and accounts, and their certificate and report is submitted herewith.

The plants and equipment of your Company have been maintained in good condition throughout the year, and we have provided the sum of $80,198.10 as an addition to the Reserve for Depreciation, which now stands at $2,035,071.40.

We have exercised our usual care in the taking of all inventories and they have been priced on the basis of cost or market, whichever was lower.

Our position during the year reported upon was well maintained, total sales showing an increase amounting to 16.2% and we consider that prospects for maintaining a satisfactory sales volume are encouraging.

The Consolidated Statement of Earned Surplus and Profits shows that the net amount available for dividends, arising from the operations for the year and after making all deductions, amounted to $538,921.11 as compared with $510,181.67 for the year ending August 31, 1939. These earnings are at the rate of $15.57 per share on the Preferred Stock of the Company and $1.48 per share on the Common Stock.

In this connection it may be noted that the provision for Dominion and Provincial Income and Excess Profits Taxes amounted in the year ending August 31, 1939 to $105,000.00, whereas the similar provision this year, largely owing to the incidence of the Excess Profits Tax, amounts to $322,750.00.

The Total Current Assets of your Company as shown on the Consolidated Balance Sheet amounted to $5,137,810.56 and Current Liabilities to $1,078,352.03, leaving a balance of Net Current Assets amounting to $4,059,458.53.

During the year we paid dividends on the Preferred Stock amounting to $363,300.00, leaving a balance of arrears on the Preferred amounting to $10.50 per share, of which $3.50 has since been paid.

The Earned Surplus of the Company at August 31, 1940 amounted to $4,477,984.68 as compared with an Earned Surplus at August 31, 1939 of $4,305,053.37, an increase of $172,931.31 during the year.

I wish to again avail myself of the opportunity of thanking the staff in all the various factories, warehouses and offices for their continued and greatly appreciated loyalty and co-operation in serving the interests of the Company.

Respectfully submitted on behalf of the Board,
GEO. A. MARTIN, President

Montreal, Que., November 22, 1940.

Consolidated Balance Sheet, August 31, 1940

ASSETS

Property Account:		
Balance, August 31, 1939, with subsequent additions, less deductions, at cost	$ 9,358,012.85	
LESS: Reserve for Depreciation	2,035,071.40	$ 7,322,941.45
NOTE: The depreciated value as appraised by the Canadian Appraisal Company Limited, at December 31, 1934, plus net additions less depreciation provided since that date is $3,515,118.90. The balance of the book value of Property Account is represented by Formulae, Trade Marks, Processes and Goodwill.		
Investments in and Advances to Partly Owned Subsidiary Companies:		
Investments, at cost, less reserve	$ 586,664.02	
Advances	260,719.64	847,383.66
Current Assets:		
Inventories as determined and certified by the Management, and valued on basis of cost or market, whichever was the lower	$ 3,108,623.48	
Trade Accounts and Bills Receivable, less reserve	1,622,791.24	
Other Accounts Receivable	76,848.22	
Amounts due from Shareholders	27,207.68	
Cash	302,339.94	5,137,810.56
Insurance, Taxes and Other Prepaid Expenses		61,258.41
		$13,369,394.08

LIABILITIES

Capital Stock:		
Seven Per Cent. Cumulative Preferred— Authorized—40,000 Shares of $100.00 each	$ 4,000,000.00	
Issued —34,600 Shares of $100.00 each	$ 3,460,000.00	
NOTE: Dividends aggregating $10.50 per share have accumulated on the Preferred Shares of which $3.50 has since been paid.		
No Par Value Ordinary— Authorized—225,000 Shares; Issued —200,000 Shares	4,000,000.00	$ 7,460,000.00
Due to Partly Owned Subsidiary Company		333,057.37
Current Liabilities:		
Trade Accounts Payable and Accrued Liabilities	$ 546,472.50	
Mortgage Payable, with Interest accrued	8,120.00	
Deposit Accounts	150,305.10	
Provision for Dominion, Provincial and Other Taxes	373,454.43	1,078,352.03
Reserve for Allowances to Retired Employees		20,000.00
Earned Surplus, as per statement attached		4,477,984.68
Contingent Liability: In respect to guarantee of the Bank Loan of a partly owned subsidiary company $20,000.00		
		$13,369,394.08

Approved on behalf of the Board:
P. F. SISE, Director
JOHN C. NEWMAN, Director

CONSOLIDATED STATEMENT OF EARNED SURPLUS AND PROFITS August 31, 1940

Combined Profit from Operations: After deducting all manufacturing, selling and general expenses (except those detailed below) including remuneration amounting in the aggregate to $86,193.90 paid as fees of solicitors and counsel and salaries of executive officers and directors' fees, and after providing for bad debts, but before charging depreciation of buildings and equipment		$ 887,225.48
ADD:		
Profit on sale of Investments	$ 25,923.36	
Interest and Dividends on Investments	1,343.53	
Dividends from Partly Owned Subsidiary Companies	50,600.00	78,066.89
		$ 965,292.37
DEDUCT:		
Provision for Depreciation	$ 80,198.10	
Provision for Dominion and Provincial Income and Profits Taxes	322,750.00	
Allowances paid to Retired Employees	23,423.16	426,371.26
NET PROFIT for the year		$ 538,921.11
Earned Surplus, balance at August 31, 1939	$ 4,305,053.37	
DEDUCT: Prior year's adjustments	2,689.80	4,302,363.57
		$ 4,841,284.68
DEDUCT: Dividends of $10.50 per share paid during the year to Preferred Shareholders of The Sherwin-Williams Company of Canada, Limited		363,300.00
EARNED SURPLUS, balance at August 31, 1940		$ 4,477,984.68

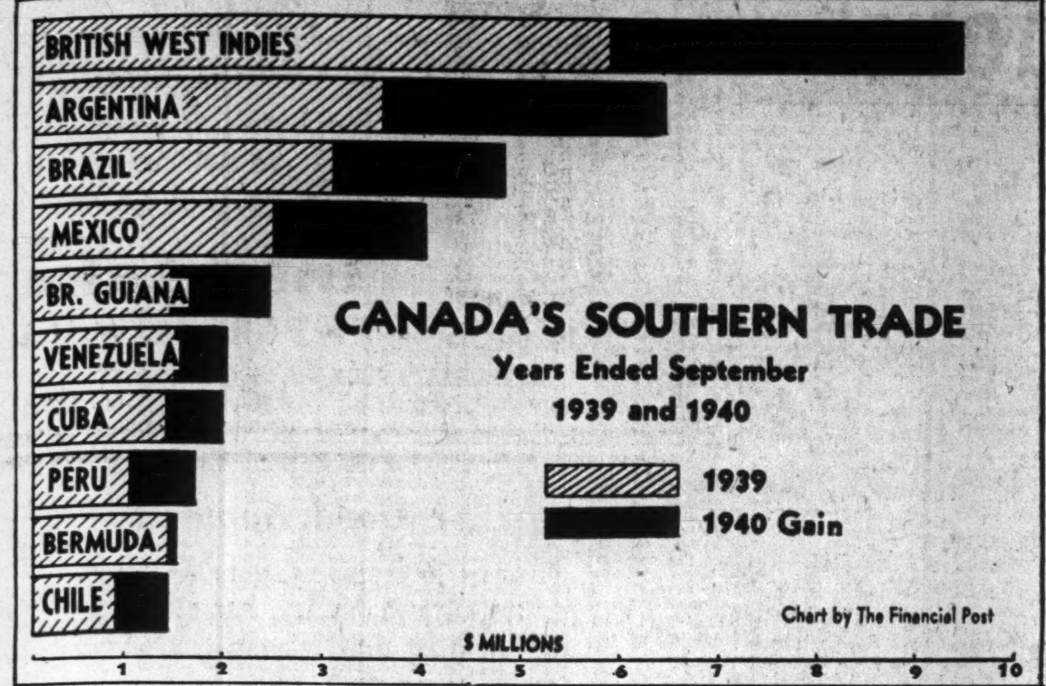
AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the books and accounts of The Sherwin-Williams Company of Canada, Limited and its Wholly Owned Subsidiary Companies for the year ending August 31, 1940, and have obtained all the information and explanations which we have required; and we report that, in our opinion, the attached Consolidated Balance Sheet at August 31, 1940, is properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of The Sherwin-Williams Company of Canada, Limited and its Wholly Owned Subsidiary Companies, according to the best of our information and the explanations given to us and as shown by the books of these Companies.

In accordance with Section 114 of the Companies Act 1934, we also report that in respect to two partly owned Subsidiary Companies the profits for the year were taken up in these accounts to the extent that dividends were declared therefrom; in respect to three other partly owned Subsidiary Companies, the losses less profits for the year, amounting to $27,185.91, have not been provided for in the above accounts, and are carried forward on the books of the respective Subsidiary Companies.

PRICE, WATERHOUSE & CO.
Auditors.

Montreal, November 14, 1940.



The chart above crystallizes in graphic form the good reason for the Canadian Government trade mission to the West Indies and Latin America. Exports to these markets are up 60% so far this year, in the proportions shown above, and are likely to show a 70% gain by the end of the year. The mission leaving this week will seek to consolidate and extend this valuable gain.

Southern Trade Mission Hints Big New Outlets

Hope to Develop Permanent Channels But Will Likely Have to Take Goods in Exchange for Our Manufactures

By STAFF WRITER

OTTAWA.—Real reason for the Canadian trade mission's visit to South America is that exports to that quarter and the West Indies have been soaring.

By the end of September total gain was close to 60%; for the current year it is expected to be over 70%.

This sudden jump in spite of shipping and exchange difficulties has been due entirely to the war. Normally there is a big inflow of European goods, particularly manufactured products. Now with the important exception of Great Britain this is almost completely eliminated.

Trade Delegation

In this new export to Latin-America the Canadian Government is faced with several problems: It is to try and solve them that a special exploratory delegation is leaving Ottawa for the West Indies and South America this week. On the mission will be:

HON. JAMES A. MACKINNON, Minister of Trade and Commerce.
L. D. WILGRESS, Deputy Minister, Trade and Commerce.
YVES LAMONTAGNE, Department of Trade and Commerce.
G. B. SMITH, Department of Trade and Commerce.

The problems of immediate if not also first importance in the new trade expansion is the matter of payment. There is also the question of permanence. This would be a nice piece of business to hold after the war. Of less importance, according to the official view here, are the problems of shipping.

Aside from some of the West Indies Canada's foreign trade in this quarter is all conducted in American dollars. But there is little hope that we have struck a new and inexhaustible supply of this sort of money.

The South American countries that are now anxious to get more of our goods are generally short of U.S. funds. They would much rather give us their own goods in payment. The Canadian delegation will probably have to pay as much attention to locating South American goods that might find a market in Canada as vice versa. The 10% premium on United States dollars—the basis of payment—gives us a substantial price advantage over American competitors, more than enough in most cases to offset any extra shipping difficulties.

Special Goods Wanted

These new southern markets, The Post is informed, call largely for two lines, very cheap personal goods, formerly obtained from Germany and Central Europe and the products of medium and heavy industry, such as machinery, farm implements, stoves, automobiles, railway equipment, etc. South America also imports, of course, large quantities of forest products, processed food, canned or other cured fish, vegetables, fruits, etc., and for years there has been a special export of farm machinery. But in these lines Canada has always been a fairly substantial contributor. The outbreak of war simply resulted in the expansion of an established trade.

To develop the new trade to the utmost and to hold it in the face of renewed European competition after the war, Ottawa officials believe, is one of the main objectives of the present trade mission. New connections will have to be established.

Since the war several of Canada's official trade representatives have been transferred from Europe to Latin-America and more, it is expected, will follow. These men will be right on the ground to explore trade possibilities, to eliminate or at least point out local hindrances. They will also make South Americans familiar with the type of goods that Canada can supply.

Gatineau Power Defers Action on "Extra"

From Our Own Correspondent

MONTREAL. — Gatineau Power Co., controlled by International Hydro-Electric System, has declared the regular quarterly dividend of 20 cents a share on the common stock, payable Dec. 31 to holders of record Nov. 30, but has not added an extra. A year ago the 20-cent dividend was accompanied by a five-cent extra.

It is possible directors will consider payment of an extra later in the year. Failure to take action, however, will lower International Hydro-Electric System's income by $71,951.

Dominion Bank Profits Rise

Current Loans Higher, Call Loans Decline—Investments Lower

Commercial loans in Canada of the Dominion Bank in the fiscal year ended Oct. 31 rose $15 millions over last year to $74 millions, the annual statement of the bank for the year reveals. Other important changes shown in the report are an increase in profits, lower investments in long-term securities, and slightly lower deposits owing to subscriptions by the depositors in the second war loan.

Net profits after allowing for Dominion and provincial taxes amounted to $958,788 about $156,000 higher than in the previous 10 months period when the bank's fiscal year was changed.

The provision for Dominion and provincial taxes was $370,165, up $105,930 from the previous year.

After providing $700,000 for dividends, contributing $85,000 to officers pension fund and writing $150,000 off bank premises account, $23,788 was added to profit and loss account, the balance carried forward being $861,188.

Earnings per share after deducting the amount written off premises were $11.55 compared with $9.67 for the previous 10 months or an estimated $[illegible] for a full year at the same rate.

Profit and Loss
Years Ended Oct. 31

	1940 $	1939 $
Profits†	958,788	802,296
Dividends	700,000	583,333
W/o bank premises	150,000	125,000
Officers pension fund	85,000	62,500
Bal. for year	23,788	31,463
Bal. from prev. year	837,400	805,937
Total bal. forward	861,188	837,400
Earned per share*	11.55	10.57

†After providing for bad and doubtful debts and deducting $370,165 for Dominion and provincial taxes compared with $264,235 a year ago.
*After deducting amount written off premises.

Like the other banks, savings deposits by the public were lower. At $80.6 millions, they were down $4.7 millions. Withdrawals during the whole year for subscription to the first and second war loans totalled $22 millions. Dominion and provincial deposits at $8.7 millions were down about $5 millions from a year ago.

Apart from the rise in current loans in Canada, call loans in Canada and elsewhere receded by $1.9 million to $3.9 millions due to less active security trading.

Cash assets at $28 millions are slightly higher than a year ago and represent 20.82% of liabilities to the public. Quick assets at $71.5 millions are 51.43% of the liabilities to the public.

Balance Sheet
Years Ended Oct. 31

	1940 $	1939 $
Assets		
Cash	28,955,390	27,496,535
Investments	38,489,000	60,649,000
Call loans, Canada	2,269,722	3,360,429
Other call loans	1,547,893	2,398,947
Dep. for note circ.	261,950	272,695
Total quick assets	71,524,716	94,177,925
Curr. loans, Can.	74,157,387	58,396,413
Muni. loans	1,247,842	1,635,966
Current loans ex. Canada	1,242,844	493,407
Non-curr. loans	180,948	191,751
Bank premises	5,487,572	5,569,000
Real estate	29,175	67,307
Mortgages	48,802	54,159
Other assets	199,713	197,047
	154,119,005	160,782,977
Letters of credit	4,333,305	2,856,128
Total assets	158,452,310	163,639,105
Liabilities		
To Shareholders:		
Capital paid up	7,000,000	7,000,000
Reserve	7,000,000	7,000,000
Bal. forward	861,188	837,400
Dividend declared	175,000	175,000
Divds. unclaimed	1,551	1,062
	15,037,740	15,013,463
To Public:		
Circulation	4,761,084	5,322,171
Dom. Govt. depos.	7,082,305	10,653,340
Prov. deposits	1,631,051	2,934,043
Demand deposits	41,075,839	37,978,683
Savings deposits	80,622,320	85,335,930
Due other banks in Canada	1,510,560	2,404,541
Due foreign banks	1,759,982	634,559
Other liabilities	638,121	506,244
	139,081,264	145,769,513
Letters of credit	4,333,305	2,856,128
	143,414,570	148,625,642
Total liabs.	158,452,310	163,639,105

B.C. Revenues At New Peak

Ordinary Surplus $3.4 Millions Before Relief, Against $1 Million

Revenue of British Columbia in the year ended March 31, 1940, reached a record peak of $32.8 millions. A surplus of $3.4 millions was shown on ordinary account, after debt retirement and sinking fund. This compares with a surplus of $1 million in the 1939 fiscal year.

The province's share of relief amounted to $4.6 millions in 1940, and $4.5 millions in 1939. After taking this charge into consideration a deficit of $1.3 millions is shown for the year, against a deficit of $3.5 millions in 1939.

Capital Expenditure Down

The province has for many years applied surpluses on ordinary account, after debt retirement and sinking fund, toward unemployment relief. The deficit therefore corresponds to the amount of relief funded.

Capital expenditure from loans other than unemployment relief totalled $1.1 million in 1940, against $1.9 million.

Net debt increased $1.2 million to $152.3 millions.

The province issued $5.1 millions of 4% sinking fund debentures in the current month. Proceeds of this issue were used to retire $3 millions of treasury bills and for expenditure on provincial highways. After giving effect to this financing net debt of the province, excluding contingent liabilities, increased to $153.4 millions.

Recently Finance Minister John Hart announced that the province had taken care of its 1941 debenture maturities of $24½ millions.

Following is a summary of public accounts of the province for 1940 and 1939:

Ordinary Account
Years Ended March 31

	1940	1939	Change
	—In 000's of dollars—		
Revenue:			
Dom. subsidy	1,625	1,625	....
Motor vehicles	3,052	2,826	+226
Gasoline tax	3,455	3,284	+171
Income tax	8,124	10,003	—1,879
Succession duties	1,162	704	+458
Timber royalties	1,985	1,656	+329
Liquor act	4,457	3,892	+565
Land taxes	2,113	2,056	+57
Other taxes & fees	6,707	6,396	+311
Misc. receipts	146	198	—52
Total actual rev.	32,826	32,640	+186
Est. revenue	28,821	28,065	+756
Expenditure:			
Debt charges	7,781	7,665	+116
Attorney-general	1,949	2,017	—68
Education	4,484	4,318	+166
Finance	2,029	2,025	+4
Lands & mines	1,803	1,590	+213
Provincial-secty.	5,259	5,377	—118
Public works	3,506	3,286	+220
Other expend.	1,806	1,635	+171
Total actual expend.	28,617	27,913	+704
Est. expenditure	29,547	28,571	+976
Surplus	4,029	4,727	—518
Sink. fund prov.*	829	3,726	—2,897
Surp. after sink. fund prov.	3380	1,001	+4,178
Relief costs	4,658	4,519	+139
Relief funded	1,278	3,518	—2,240
Capital expenditure: (Other than relief)	1,111	1,857	—746

*Includes debt retirement from consolidated revenue fund.

Note:—Since the year ended Mar. 31, 1937, the Government has applied surplus on current account, after expenditure for serial maturities and sinking fund on certain issues, to the provincial share of unemployment relief. Of this net cost to the province a substantial amount has been spent on relief projects, from which the province has received certain capital assets such as highways, etc.

Debt Position
At March 31

	1940	1939
	—in $000's—	
Gross funded debt	141,209	142,329
Treasury bills	44,120	40,223
	185,329	182,552
Les: Sinking fund	37,072	35,446
	148,257	147,106
Floating debt	4,067	4,067
Net funded & unfunded debt	152,324	151,173
Contingent liabs.*	58,867	49,003
Sinking fund arrears**	15,862	15,002

*Includes $40.2 millions guaranteed securities of Canada Northern Pacific Railway Co., which is now a part of the Government-owned Canadian National Railways System. The province has never been called upon to implement its guarantee.

**Sinking fund originally intended to retire each sinking fund issue by maturity. Annual appropriations were included in current expenditure up to Mar. 31, 1932. It was thereafter temporarily reduced. Actuarial requirements for a full sinking fund were $15.9 millions at Mar. 31, 1940.

Why France is Our Ally

(Continued from page 11)

on the Arc de Triomphe and the grave of the Unknown Soldier.

That is the right kind of propaganda. That goes straight to the hearts of these millions of French people who are with us; who respect the Marshal, who still have confidence in General Weygand, loathe the Nazis and despise Laval.

These people in France have not lost their courage. There are signs every day that they are recovering from that dreadful panic which overcame them when the surprise attack of last May caught them unready. They have some bad leaders and bad men in their ranks. Their press is contemptible.

But the mass of these people have no other aim and hope than to help us throw the Germans back over the Rhine and to throw Mussolini into his Mare Nostrum.

Strange Stories

Strange stories are reaching us of developments in Africa, and even stranger stories may reach us soon of trouble within France.

The Germans are beginning to squeeze the Vichy Government hard, which is another sign of weakness. Do not let us be impatient. These things have to work themselves out.

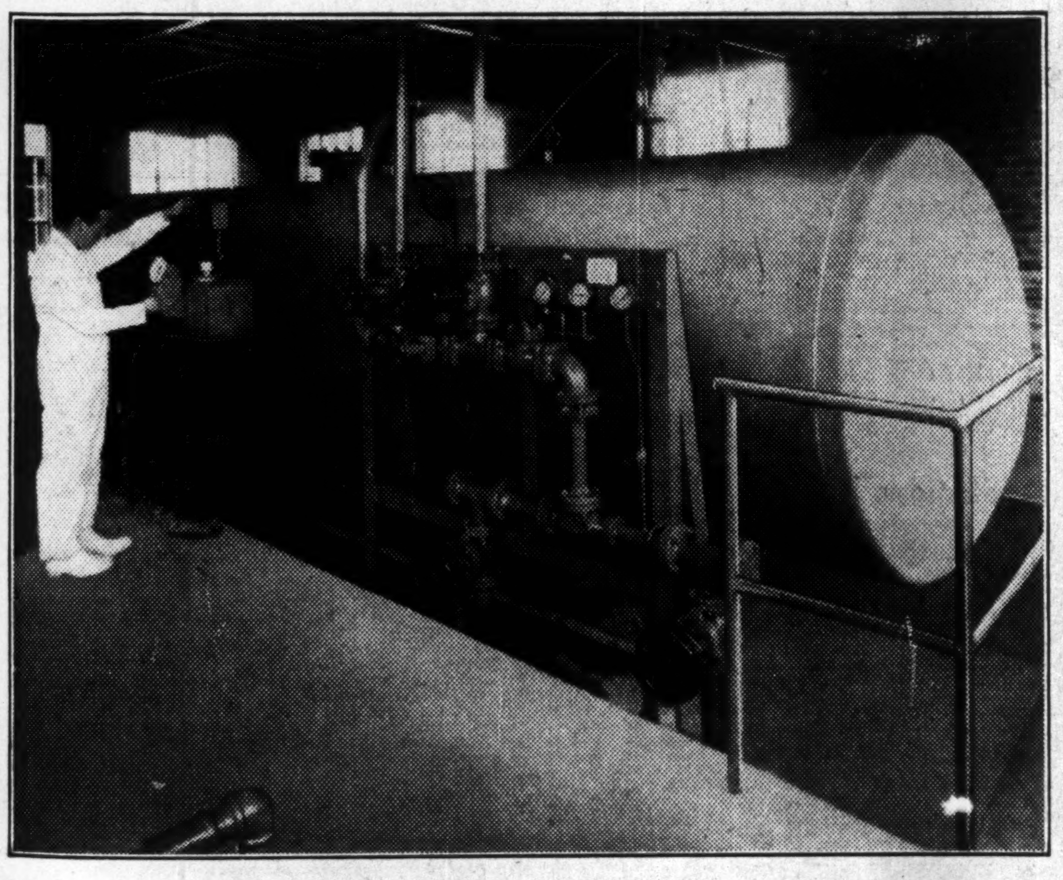
The only thing we can be sure of is that we are on the right road, and these German victories of last spring, while they have had enormous consequences, are not final victories. They are acts of brigandage and piracy. They were mechanical victories.

Now, our tough man, Hitler, is in a fight with real tough men; with men who know what they are fighting for and intend to go on fighting until they have won.

One night at the beginning of the war I was wakened in my bed in Paris by an air raid alarm. It was one of the practise raids before the Germans began dropping bombs, so I went to sleep again and I dreamed. I dreamed that I had got into a great long room, with a huge window that looked out on snow-clad mountains. I knew I shouldn't be there. Then I heard someone enter the room. I slipped behind a marble column and stood trembling as I saw a man walk across to the great window and look out over those snow-clad mountains. The man turned. It was Adolf Hitler. I was in his famous eyrie at Berchtesgaden. He paced up and down in front of the window once or twice, then walked over to his desk, pulled out the second drawer on the right-hand side, took out a revolver and raised it to his temple. Then, of course, I awoke. One does in dreams just before the bang comes.

But here is the curious thing. On my second night in Canada, about a year later, I dreamed again that dream which I had almost forgotten.

Now, I don't believe much in dreams or omens, but I do believe in subconscious foresight and I am telling you of that dream, quite seriously, because I believe that it will be in that way that this war will end.



THE Ethyl Gasoline Corporation's policy governing licensees necessitates the production of a high standard gasoline — Good Rich Refining Company Limited with its finely equipped refining plant produces a gasoline which adequately meets their requirements.

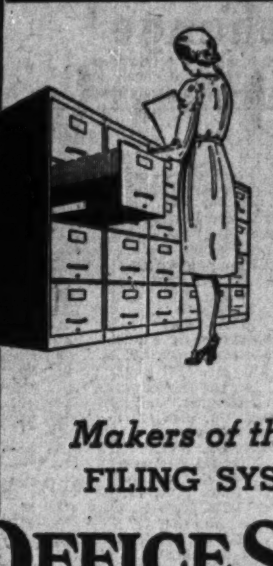
Here is illustrated the modern metering section of their Ethyl plant which is in operation at the company's Port Credit refinery. This is the division required to mix lead (tetra-ethyl) with gasoline.

GOOD RICH REFINING COMPANY LIMITED in furtherance of its policy to produce petroleum products of high quality is therefore increasing the satisfaction of the motoring public by the installation of only the latest refining equipment. Their newly marketed Empire Ethyl has had an excellent reception thus proving the success of their efforts. Petroleum products are marketed throughout Ontario by the —

GOOD RICH OIL COMPANY
CANADA'S LARGEST INDEPENDENT REFINERY
PORT CREDIT, ONT.

GASOLINE · MOTOR OILS · DIESEL FUELS · FUEL OIL
BUNKER "C" OIL · KEROSENE · DOMESTIC FUEL OILS

Envelopes for every purpose
Barber-Ellis of Canada, Limited
TORONTO - BRANTFORD
BRANCHES FROM COAST TO COAST



"For Want of a Nail"

For want of a record, time is lost . . . For want of time an order may be lost . . . For want of an order a business may be lost.

So often, much depends on "those little things." Times like these, more than ever, demand speed in the functioning of all departments. If your record keeping methods and equipment are behind the times business will flounder from the start.

A better filing system—a better filing cabinet—a better office—are "nails" that will help to keep your business on its feet. "Office Specialty" have the nails and the experience in applying them successfully for over fifty years.

Makers of the Only Complete Line in Canada
FILING SYSTEMS AND OFFICE FURNITURE

THE OFFICE SPECIALTY MFG. Co. LIMITED
Head Office and Factories — NEWMARKET, ONT.
Retail Branch Stores in Canadian Cities from Coast to Coast

Asbestos Corp. Pays $1.20 a Share for 1940

From Our Own Correspondent

MONTREAL.—Directors of Asbestos Corp. Ltd. have declared an extra dividend of 15 cents a share, together with the regular quarterly dividend of 15 cents, payable Dec. 31 to shareholders of record Dec. 15.

Similar dividends and extras were paid on the last days of March, June and September, making a total of $1.20 for the current year.

Last year dividends paid by the company were equal to $1.35 a share on the present stock, and in 1938 to $1.25 a share.

BANK OF MONTREAL

Established 1817

A presentation, in easily understandable form, of the Bank's

ANNUAL STATEMENT

31st October, 1940

LIABILITIES

LIABILITIES TO THE PUBLIC	
Deposits	$848,865,349.96
Payable on demand and after notice.	
Notes of the Bank in Circulation	19,816,520.50
Payable on demand.	
Acceptances and Letters of Credit Outstanding	11,677,303.17
Financial responsibilities undertaken on behalf of customers (see off-setting amount in "Resources").	
Other Liabilities to the Public	3,892,125.64
Items which do not come under the foregoing headings.	
Total Liabilities to the Public	$884,251,299.27
LIABILITIES TO THE SHAREHOLDERS	
Capital, Surplus and Undivided Profits and Reserves for Dividends	77,083,656.50
This amount represents the shareholders' interest in the Bank, over which liabilities to the public take precedence.	
Total Liabilities	$961,334,955.77

RESOURCES

To meet the foregoing Liabilities the Bank has	
Cash in its Vaults and Money on Deposit with Bank of Canada	$ 83,034,576.56
Notes of and Cheques on Other Banks	32,254,269.70
Payable in cash on presentation.	
Money on Deposit with Other Banks	61,382,283.44
Available on demand or at short notice.	
Government and Other Bonds and Debentures	461,827,040.63
Not exceeding market value. The greater portion consists of gilt-edge securities which mature at early dates.	
Stocks	196,182.87
Industrial and other stocks. Not exceeding market value.	
Call Loans outside of Canada	19,552,470.11
Secured by bonds, stocks and other negotiable securities of greater value than the loans and representing moneys quickly available with no disturbing effect on conditions in Canada.	
Call Loans in Canada	4,606,348.55
Payable on demand and secured by bonds and stocks of greater value than the loans.	
Bankers' Acceptances	332,264.27
Prime drafts accepted by other banks.	
TOTAL OF *QUICKLY* AVAILABLE RESOURCES *(equal to 75% of all Liabilities to the Public)*	$663,185,436.13
Loans to Provincial and Municipal Governments including School Districts	35,313,063.39
Other Loans	233,560,368.24
To manufacturers, farmers, merchants and others, on conditions consistent with sound banking.	
Bank Premises	13,900,000.00
Two properties only are carried in the names of holding companies; the stock and bonds of these companies are entirely owned by the Bank and appear on its books at $1.00 in each case. All other of the Bank's premises, the value of which largely exceeds $13,900,000, appear under this heading.	
Real Estate, and Mortgages on Real Estate Sold by the Bank	974,202.89
Acquired in the course of the Bank's business and in process of being realized upon.	
Customers' Liability under Acceptances and Letters of Credit	11,677,303.17
Represents liabilities of customers on account of Letters of Credit issued and Drafts accepted by the Bank for their account.	
Other Assets not included in the Foregoing	2,724,581.95
Making Total Assets of	$961,334,955.77
to meet payment of Liabilities to the Public of	884,251,299.27
leaving an excess of Assets over Liabilities to the Public of	$ 77,083,656.50

PROFIT and LOSS ACCOUNT

Profits for the year ended 31st October, 1940, after making appropriations to Contingent Reserve Fund, out of which Fund full provision for Bad and Doubtful Debts has been made, and after deducting Dominion and Provincial Government Taxes amounting to $1,927,824.40		$3,435,941.59
Dividends paid or payable to Shareholders	$2,880,000.00	
Appropriation for Bank Premises	500,000.00	3,380,000.00
		$ 55,941.59
Balance of Profit and Loss Account, 31st October, 1939		1,265,700.56
Balance of Profit and Loss carried forward		$1,321,642.15

HUNTLY R. DRUMMOND,
President

JACKSON DODDS,
G. W. SPINNEY,
Joint General Managers

The strength of a bank is determined by its history, its policy, its management and the extent of its resources. For 123 years the Bank of Montreal has been in the forefront of Canadian finance.

Toronto and Montreal Exchange

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

THE WEEK'S QUOTATIONS

WEEK ENDING NOVEMBER 25

Range 1940 High	Low	Div Nov23 R'te $	Y'ld %		Sales	Last Nov. 18	Week end. Nov. 25 H	L	Cl'se
				A					
2.50	.50	*	...	Abitibi	565	.90	.85	.80	.85
27½	2¾	*	...	Do. pref. 6%	1833	7½	7	6½	6¾
33	5½	*	...	Do. pref. 7%	....	(9 bid 12¾ asked)			
6	3	.	...	Acme Glove	....	(2 bid — asked)			
57	45	6.50	...	Do. pref.	....	(45 bid 50 asked)			
12½	9	80+20c	8.7	Agnew Surp.	10	11	11½	11	11½
110	105	7	6.5	Do. pref.	....	(105 bid — asked)			
3.00	.75	.	...	Alta. Pac. Gr.	....	(1.25 bid — asked)			
36	20	.	...	Do. pref.	10	26	30	30	30
16½	7	.	...	Algoma Steel	151	11	10½	10	10½
100	81	$2.50	..	Do. pref.	....	(88 bid 90½ asked)			
145	80	6+2	7	Aluminum	374	113½	114¾	112	114
125	100½	6	4.8	Do. pref	10	125	125	125	125
6½	5	25c	...	Amal. Electric	25	5	7	7	7
43	34½	60c	1.7	Amer. Cyn. B.	....	(34¾ July 16)			
49¾	43½	2.75	6	Ang. Can. Tel p	20	44	45½	45	45
26½	14½	60+60c	7½	Asbestos	685	16	15¾	15½	15½
19½	12½	1.35	8.5	Assoc. Brew.	652	15¾	15¾	15¾	15¾
112½	109	7	6.2	Do. pref.	....	(109½ bid — asked)			
*2	2	.	...	Assoc T. & T.A.	....	(— bid 8 asked)			
*34	26	48c	...	Do. pref.	....	(— bid 28 asked)			
103	101	5.50	5.3	Ault & Wiborg	....	(99 bid — asked)			
				B					
164	137	8	5.5	Bk. Can. Nat.	29	145	146	145	146
212	170	8	4.2	Bk. Montreal	269	189	190	189	190
315	269	12	4.2	Bk. N. Scotia	36	280	282	280	281
268	200	10	4.1	Bk. Toronto	44	237½	245	240	245
*5	4½	.	...	Barcelona	....	(— bid — asked)			
6½	2	.	...	Barker's Bread	....	(1½ bid 2 asked)			
28	19	2.50	10.4	Do. pref.	30	19	24	24	24
15¾	6½	1	7.7	Bathurst Pr.	1076	12¾	13	12½	12½
5	1¾	.	...	Do. (B)	....	(— bid 3½ asked)			
1.75	.05	.	...	Bawlf Grain	....	(— bid .15 asked)			
47	25	.	...	Do. pref.	....	(47 bid 49 asked)			
[illegible]				Beath & Sons	....	(2½ bid 5 asked)			
[illegible]									

Range 1940 High	Low	Div Nov23 R'te $	Y'ld %		Sales	Last Nov. 18	Week end. Nov. 25 H	L	Cl'se
				Fleury Bissell	....	(.25 bid .75 asked)			
				Do. pref.	....	(17 bid 20 asked)			
1.50	.75	.	...	Ford Motors A.	1012	17	17½	17	17½
27	19	.	...	Do. (B)	....	(17 bid 18 asked)			
22¾	13½	1	5.7	For. Pr. Secs.	....	(— bid .15 asked)			
21½	14	1	5.6	Foundation Co.	75	13½	13½	13	13
.20	.05	.	...	Fraser Cos.	25	10½	10	10	10
15¾	6	$50c	..	Do. Vot. Tr.	615	11¾	12	11½	11¾
20	6	.	...	Freiman	....	(— bid — asked)			
21¾	7½	.	...	[illegible]					
[illegible]									

[illegible]

Quotations: *1939. †1938.
a On account of arrears. b New York quotations. [illegible] Participating. Interim. f Plus extra of $2 paid Feb. 1, 1940. ‡Paid or declared payable in 1940 to date.

Mining Stocks

Week Ending November 25.

Par Val.	Range 1940 High	Low	Company	Sales	Close Nov. 18 (or last)	High week	Low week	Close Nov. 25
[illegible]								

Oil Stocks

Par Val.	Range 1940 High	Low	Company	Sales	Close Nov. 18 (or last)	High week	Low week	Close Nov. 25
[illegible]								

Vancouver Stocks

Par Val.	Range 1940 High	Low	Company	Sales	Close Nov. 18 (or last)	High week	Low week	Close Nov. 25
[illegible]								

Oil Quotations

Par Val.	Range 1940 High	Low	Company	Sales	Close Nov. 18 (or last)	High week	Low week	Close Nov. 25
[illegible]								
No	36.00	17.50	Royalite	......	(22.50 bid .... asked)			
No	.07½	.03	South End	......	(.03½ May 16)			
No	.60	.21	Southwest Pete	......	(.20 bid .30 asked)			
1	.06	.02	Spooner	......	(.04½ bid .... asked)			
25c.	.38	.11½	Sunset Oil	2,400	.15	.12	.12	.12
No	.09	.03½	United	2,000	.04½	.04½	.04½	.04½
No	.07	.03½	Vanalta	......	(.05 bid .... asked)			
1	.63	.23	Vulcan	......	(.30 bid .40 asked)			
No	.05	.02	West Flank	......	(.02 Nov. 9)			

* Quotations for 1939.

Winnipeg Stocks

(Transactions from Nov. 18 to Nov. 23)

	Sales	High for period	Low for period	Close Nov. 23
Flin Flon Gold	2,000	.01	.01	.01
Federal Grain, pref.	30	36.00	36.00	36.00
Great West Life	1	210.00	210.00	210.00
Montreal Is. Power, pf.	10	25.00	25.00	25.00
Sachigo River	165	3.00	2.75	3.00
United Grain Growers	3	10.00	10.00	10.00
Western Steel Prod.	14	9.00	8.75	9.00
Wingold	6,700	.07	.07	.07
Wings	100	.25	.25	.25

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	75	..	Home Invest.	13	..
Beav. Lumber, c.	..	4	Nor. Can. Mtg. p.	5	..
Do., pref.	99	102	North. Trusts	..	8
Can. Airways	1	..	Traders Bldg.	43	..
Can. Indemnity	120	..	West. Brew.	1⅞	2⅛
Federal Grain, c.	..	1¼	West. Grain, p.	7	8

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Nov. 26	16,700	10,500	285,000	......
Nov. 25	7,200	16,200	231,000	10,100
Nov. 23	4,700	5,000	110,000	9,300
Nov. 22	13,500	18,600	304,000	18,855
Nov. 21	10,400	5,200	160,000	7,050
Nov. 20	12,400	17,200	318,000	14,415

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Dominion of Canada Bonds, Nov. 27, 1940

%	Due	Bid	Ask.	Approx. Yld.
1	Mar. '41	99⅞	100⅛	.40
5	Nov. '41	103⅜	103⅝	1.22
1½	May '42	100⅛	100⅜	1.10
2	June '42	100⅞	101⅛	1.13
3	Oct. '42	102⅜	103⅛	1.28
2½	June '43	102	102½	1.49
5	Oct. '43	108¾	109¼	1.73
2	June '44	100½	101¼	1.64
a2½	Jan. '44	93½	94½‡	4.05
4½	Oct. '44	108⅜	109⅛	1.97
2½	Nov. '44	102	102¾	1.79
a2½	Aug. '45	92½	93½‡	4.03
4	Oct. '45	105½	106	b1.88
4½	Feb. '46	109⅜	110⅜	2.39
3½	June '49	102	102¾	b2.72
3½	Oct. '49	102½	103¼	b2.62
3½	Nov. '51	100½	101	b3.11
3½	Feb. '52	100⅞	101¼	b3.05
a5	May '52	100	101⅞	b4.30
4	Oct. '52	105	105⅞	b3.08
3	Oct. '52	98	98⅞	3.12
3	June '55	98¼	98⅞	3.10
4½	Nov. '56	106⅞	107½	b3.12
4½	Nov. '57	107½	108	b3.22
3	June '58	97½	98¼	3.13
4½	Nov. '58	108	108⅞	b3.25
4½	Nov. '59	108⅜	109½	b3.27
a4	Oct. '60	94	95½‡	4.36
a3½	Jan. '61	84½	85½‡	4.30
3½	June '66	99½	100½	b3.23
a3e	Jan. '67	81½	82½‡	4.09
a3e	Nov. '68	81⅞	82½‡	4.03
†3	Perpet'l.	88½	89½	3.36

Dominion Guarant'd Bonds — Can. Nat'l. Railways:

%	Due	Bid	Ask.	Approx. Yld.
2	Feb. '43	100½	101½	1.43
2½	Jan. '46	99½	100⅜	2.12
3	May '44	103½	104	1.80
3	Dec. '50	98½	99½	3.05
3	Feb. '53	97½	98½	3.17
3	Jan. '59	96½	97½	3.20
*4½	Sept. '51	113	114	3.00
*4½	Feb. '56	113½	114½	3.32

%	Due	Bid	Ask.	Approx. Yld.
4½	July '57	113½	114½	3.27
*4½	June '55	115	116	3.35
5	Feb. '54	115½	116½	3.44
*5	July '60	112½	113½	b2.35
*5	Oct. '69	117	118	b3.16
*5	Feb. '70	117	118	b3.20
Grand Trunk Pacific Rly:				
3	Jan. '62	98	99	3.06
Provincial Gov't. Bonds				
New Brunswick:				
3	Oct. '51	87	90	4.14
3½	Aug. '49	89½	91	4.50
3½	June '56	88	90	4.40
c4	Nov. '47	96	98	4.34
c4½	Apr. '61	99	101	4.42
c5	Jan. '60	103	106	4.53
Nova Scotia:				
3	Jan. '52	91	93	3.75
3½	June '56	92½	93½	3.81
3½	Nov. '50	97	98	3.74
c4½	Sept. '52	105½	106½	b3.42
c4½	Nov. '60	106½	108	3.92
c5	Mar. '60	112	113½	4.00
Ontario:				
2½	May '45	99½	100½	2.40
3	Apr. '48	98½	99½	3.11
3	Nov. '50	97	98	3.24
3½	Nov. '51	98½	99½	3.30
3½	May '55	96½	99½	3.32
*4	June '62	105	107	3.53
4½	June '50	108½	109½	3.36
*4½	Jan. '62	111½	113½	3.59
5	Oct. '48	111	112	3.27
*5	Dec. '60	117½	119½	3.62
5½	July '46	111½	112½	3.12
Ont. Hydro Commission:				
3	Aug. '48	98½	99½	3.11
3½	Feb. '53	98½	99½	3.33
3½	Apr. '47	101½	102½	3.11
Prince Edward Island:				
3	Oct. '45	94½	96½	3.79
Quebec:				
3	Nov. '47	94	95	3.83
3½	Mar. '48	95	96	3.88

%	Due	Bid	Ask.	Approx. Yld.
3½	Mar. '59	91½	93½	4.00
3½	Feb. '55	96	97	4.02
4	Mar. '52	98½	100½	3.95
4½	Aug. '58	100	102	4.07
4½	Jan. '63	103	105	4.16
Alberta:				
4	Dec. '54	60	64	d
4½	Oct. '51	64	..	d
c4½	Oct. '56	63	67	d
*5	Oct. '59	65	69	d
c5½	Apr. '52	70	74	d
6	Mar. '47	72½	76½	d
British Columbia:				
c4	Dec. '57	97	101	3.92
*4½	Jan. '51	100	104	4.01
c4½	Oct. '53	100	104	4.10
c5	Apr. '54	103	107	4.31
5½	Feb. '45	103	107	3.67
6	Feb. '47	104	108	4.50
Manitoba:				
c4	Dec. '57	90	94	4.51
c4½	Dec. '56	92	96	4.86
*5	Dec. '59	97	101	4.92
5½	Oct. '55	98	102	5.20
6	Apr. '47	100	104	5.25
Saskatchewan:				
4	Sept. '54	75	79	6.29
4	Nov. '60	73½	77½	5.94
c4½	Oct. '51	84	88	6.00
c4½	Mar. '60	78½	82½	6.04
5	Aug. '58	83	87	6.21
5½	Oct. '52	88½	92½	6.40
6	Mar. '32	91½	95½	6.36

*–Payable Can., N.Y. and £. b–Calculated to call date giving lowest possible yield. c–Payable Can. & N.Y. a–Payable N.Y. †–Callable on or after Sept. 15, 1966. d–Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e–Callable at a premium. ‡–N.Y. funds.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Nov. 26, 1940

Industrials:	Bid	Ask.		Bid	Ask.		Bid	Ask.
Acme Farm. D.	26	..	Morrison Br. un	4	5	Canada Life	380	410
Andian National	27	28½	M'row Screw, p.	99	..	Canadian Fire	78	..
Anglo C. Tel., A	8½	9	Do., com.	10	..	Confed. 30% pd.	135	..
Atlas Steel	19	..	Neilson, Wm., c.	10	..	Continental L.	33	..
Barrymore, pfd.	28	..	Do., pfd.	101	..	Crown fully pd.	250	270
Blue T. Brew. A	8	9	N. B. Tel., c.	12½	15	Dominion Fire	130	..
B C. Pulp, c.	17	18½	N. Meth. Ldy., p	51	58	D. of Can. Gen.	110	120
Do., pfd.	68	72	Niag. L. A. Br.	50	57	Empire 25% pd.	5½	6½
B. C. Sugar	72	75	Ont. Tobacco, p.	15	..	Excelsior 36% pd	57	62
B. C. Tel., 1st p.	111	114	Pac. C. Term., c.	9½	..	Federal 25% pd.	51	55
Burns & Co., A	4	5	Paterson, Wm. p	100	..	Great-West Life	205	215
Do., B	2½	3½	Prov. Paper, pfd	105	107½	Imperial Life	290	310
Can. Col. Air	3	4	Ruddy, E. L., p.	22	25	Manufac. Life	218	240
Can. Co-op. Wl.	6½	8	Seal O Sac (Can.)	1	2	Monarch Life	33	..
Can. Cr. Stone p	22	..	Stand. Fuel, p.	58	63	Sov. L. 25% pd.	12	15
C. I. L., A c.	225	..	Stedman, pf. $50	56	59	Sun Life	335	365
Can. Ing. Rand	70	73	Tor. Carpet, c.	33	40	Tor. General	5	5½
Can. Mot. L.A.B.	2¾	..	Do., pfd.	60	64	Wellington Fire	58	..
Can. Tube, 1st p.	80	..	Un. F. Co-op.	2½	3½	Western Assce.	40½	43
Chase, A. W., p.	17	19	Un. Steel, A pf.	23	24	**Theatre Stocks:**		
Claude Neon, p.	5½	7	Viceroy Mfg., p.	23½	25½	Allens, Kings. p.	62	66
Colonial Steam.	17½	19	Do., com.	11½	15½	Do., London p	52	56
Dom. Manuf., p.	60	65	**Trusts & Loan Stocks:**			Do. St. Cath. p	51	56
Dunlop T. p. $25	23	24	Brit. Mtge.	130½	..	Do., Tor. p.	30	35
Easy Wash, p $10	10	10¾	Capital Tr.	21½	26	Mansf. Theat., p	28½	30
Goderich Elev.	8½	9½	Com. Fin., c.	2½	3	Para., Kitch. p.	50	55
Guard. Realty, p.	15½	18½	Grey & B. Tr. $50	43	47	Do., Oshawa, c	9	11
Guelph Carp., p.	102	105	Guaranty Trust.	98	101	**Investment Trust Shares:**		
Do., com.	18	..	Guelph & C. $50	50	55	Can. Investors	5½	6
Gurney Fdry, p.	1¾	1¾	Lambton Loan.	32	..	Deb. & Sec., pf.	62	..
Hayes Steel, c.	10	10½	London & West.	33	37	Sec's. Hold., pf.	17	20
Hi'land Dairy, p.	45	55	Sherbrooke Tr.	120	..	United Corp., A	21	..
Homewood San.	100	120	Sterling Trust	56	..	Do., B	5½	6½
Inglis, John, c.	5	6½	Traders Fin. A c	10½	11½	**Power Issues:**		
Ingram & Bell	22½	25	Do., A pfd.	87	90	Can. W. N. Gas	25	..
Kingston Sh. un	24	26	Trusts & Guar.	25	27	Do., pfd.	99	102
Loblaw Inc., c.	12½	13½	Victoria Trust	78	84	Gt. Lakes Pr., p	101	103½
Minn. O. Pap.	4½	4½	**Insurance Stocks:**			Mtl. Is. Pwr. p.	20	..
			Brit. Amer.	50	56	Nor. Ont. Pr., p.	78	85

Unlisted Mines

Toronto, Nov. 26, 1940

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Acordia	.21	..	Demp Cad	.01	.01½	Magwell	.02	.03	Pelangio	.02	.02½
Addington	.01	.02	Desants n	.28	.29	Martin Br.	.02½	.03½	Polaris	.10	.12
Albany R.			Dona Pat	.02	.03	Margaret	.10	.11	Propri'y	2.25	2.40
(Old)	.10	.12	Elmos	.09	.11	Mata Can	.04	.06	Presdor	.05½	.06
(New)	.23	.28	Franco	.30	..	Mata Con	.17	.20	Queb Man	.06	.08
Amal Kirk	.09	.10	Galore	.01½	.03	Mof Hal n	.01½	.02	Rahn Lake	.01½	.02½
Anoki	.03	.05	Gate Pat	. ½	.01	Monarch	.01½	.02	Rand Ml	.10	.12
Aquarius	.22	.25	Gilbec	. ½	.01	Mooshla	.01	.02	Red Lake	.02	.03
Arjon	.04	.04½	Gordon L	. ½	.01	Mosher	.07	.08	Sachigo	2.90	3.25
Armistice	.03	.05	Hiawatha	.04	.05	McGregor	..	.01½	Senore	.08	.11
Argosy	.08	.09	Hoyle nw	.29	.30	Nat Mal	.54½	.57	Shenango	.02½	.03
Area	.04	.04½	Hugh PaP	.09	.10½	Negus	.70	.75	Sheldon	.03½	.04½
Athona			Hutch Lke	.01	.02	New Roy	. ½	.01	Sisco Ex	.01½	.02½
(Old)	.02	.03	Jason	.57	.59	New Aug	.27	.28	Skynner	.02½	.03½
(New)	.04	.04½	Keora	.01½	.02	Nickel O	1.00	1.25	Smelters G	.01½	.02½
Barb Lard	.02½	.03	Kenricia	.01	.02	Norbeau	.20	.25	Spooner	.03½	.04½
Bilmac	. ½	.01½	Kewaga'a	..	.02	Norlake	.01	.02	Sunbeam	.03½	.04½
Bonetal	.50	.53	Kiena	.04	.06	Norwin	.02	.05	Springer	.08½	.09½
Brock	.26	.27	Kirk Gate	.01	.02	Oklend	.08	.09	Stadacona	.07	.08
Buff Bear	.02	.03	Lacoma	. ½	.01½	O'Leary	.01	.02	Thomson	.08	.10
Calder Bo	.04	.05½	Lake Duk	.23	.25	Opemiska	.02	.04	Thomp Cd	.02	.04
Central M	.02½	.03½	Lardego	.01½	.02½	Oriole	. ½	.01½	Treaty P	..	.23
Cheminis	.02	.03	Lake Gen	.07	..	Orpit	..	.01½	Union Mn	.04½	.05½
Coin Lake	.03	.04	Lw Pete	.20	.25	Ossian	.01½	.02	Wasu	.03	.05
Cons Chib	.04	.06½	Magnet C	.83	.88	Pascalis	.30	.34	West Red	.03	.04
Crescent	.01	.01½	Magnet L	.17	...	Pontiac			Woco	.04	.06
Dayton	.01	.01½	Manik'u	5.50	5.75	(Old)	.08	.10	Y Davids'n	.23	.25

Montreal, November 26, 1940

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Cad Exp	.02	.04	Cournor	.18	.21	Obalski	.01½	.03	Scott Ch	.02½	.03½
Chibmac	..	.02	Dubisson	.12	.16	Pan Can	.05	.07	Westwd C	.02	.02½
C. Pand'ra	.01	.02	L Rowan	.03	.05						

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Nov. 26, 1940

Public Utility Issues:	Int. Rate %	Due	Bid Nov. 26	Asked Nov. 26	Bid Nov. 19
†Assoc. Tel. & T.	5½	'55	69	72	72
B. C. Power	4½	'60	99½	102½	100½
B. C. Tel.	4½	'61	105½	108½	105¾
†Calgary Pwr.	5	'60	106	109	106½
Do.	5	'64	102	...	102
†Can. Nor. Pwr.	5	'53	105	108	105
*Dom. Gas & El.	6½	'45	99½	102½	100
Gatineau Pwr.	5	'49	101½	104½	101½
*Do., A	3½	'69	96½	99½	96½
Gt. Lakes Pwr.	4½	'56	99	102	99
*Int. Hydro-E.	6	'44	66½	69½	70
▲Inter. Power	6	'55	100	...	100
Mcl'n-Que. Pr.	4	'59	96	99	96½
Mtl. L. H. & P.	3½	'56	99	102	99
Do.	3½	'73	96½	99½	95½
†Mtl. Tramways.	5	'41	97	100	94½
†Do.	5	'55	63	66	63
Nat. Lt. & Pwr.	6	'49	100	104	100
N. S. Lt. Pr.	4	'57	100½	103½	100
Ottawa H. & P.	4	'57	100½	103½	100
Ottawa V. Pwr.	5	'59	101½	104½	102
†Power Corp.	4½	'59	96½	99½	97
Quebec Pwr.	4	'62	99½	102½	100
*Saguenay P., A.	4½	'66	108	...	106
▲Do., B.	4½	'66	105	108	103
Shaw. W. & P.	4	'61	101	104	101
Union Gas	4½	'50	102	105	101½
†United Secs.	5½	'52	59	62	60
Wpg. El., ser. A	4	'65	71	74	73½
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	69	72	70½
Acadia Sugar	4½	'55	101	...	101
†Alta. Pa. Grain	6	'46	98	101	97½
Atlantic Sugar	4	'51	99½	...	99½
†B. C. P. & Pap.	6	'50	89	92	88
*Brown Co.	5½	'46	53½	56½	53½
Burns & Co.	5	'58	61½	64½	63
Canada Bread	6	'41	101	104	101
Canada Cement	4½	'51	103½	106½	103
Can. Paper	4½	'52	99½	102½	99
Can. Steamship	5	'57	96½	99½	96
Can. Canners	4	'51	99½	102½	99½
*Can. Int. Paper	6	'49	101½	104½	102
C. P. R.	3½	'51	88½	91½	88½
Do.	4	'49	92½	95½	92½
Do.	4½	'44	97½	100½	98
Do.	6	'42	103	106	103
†Consol. Paper	5½	'61	69	72	69
Dom. Coal	4½	'52	100	103	100
Dom. Stl. & Co.	6½	'55	106½	109½	106½
Dom. Tar	4½	'51	101	104	100½
†Donnacona P.	4½	'56	77	80	77½
Famous Players	4½	'51	99½	102½	99½
†Federal Grain	6	'49	98	101	97½
†Fraser Cos.	6	'50	97½	100½	97
Gen. Stl. Wares	4½	'52	98½	101½	99
*Great L. Paper	5	'55	93½	96½	93½
†Gypsum, Lime	5½	'48	99	102	99
Ham. By-Pr. C.	5	'55	101½	104½	101½
Inter-City Bak.	5½	'48	100	...	100
*Inter. P., Nfld.	4½	'68	90	94	91
Lake St. J. P.	5½	'61	89½	92½	89
Maple Leaf M.	3	'58	74½	77½	74½
Massey-Harris	4½	'54	92	95	91½
McColl-Fron.	4½	'49	101	104	100½
McCormick's	4	'52	96	99	96
Mercury Mills	5	'59	92	95	91½
*M. & O. Paper	6	'45	53	56	53½
Nat. Grocers	4	'47	100	...	100
N. S. Stl. & Co.	3½	'63	84	87	84½
Price Bros.	5	'57	97	100	97
*Prov. Paper	5½	'47	104	...	104
Reliance Grain.	4½	'52	94	...	94
†Restigouche Co.	6	'48	97½	100½	97½
Rolland Paper	4½	'51	102	105	102
Simpsons Ltd.	4½	'51	100½	103½	100½
Smith, Howard	4½	'51	103	106	103
*United Gas	5½	'48	103	...	103
United Gr. Grs.	5	'48	96	99	96
†Western Grain	6	'49	49	52	49

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
▲Payable in Can. or U. K.
*Payable in U. S. only.
▲Payable in Canada only.

Supplementary Bond and Stock Quotations

Furnished by Plaxton, Cherry & Co., Toronto

Nov. 26, 1940

Miscellaneous Bonds:	Int. Rate %	Due	Bid Nov. 26	Asked Nov. 26	Bid Nov. 19
†Alg. Cen. H.B.R.	5	'59	6½	7½	6½
*†B. C. Pulp	7	'50	100	104	99½
Can. Electric	4½	'65	96½	99	97
†Can Locomotive	6	'53	84½	88	85½
†Can. Vickers	6	'47	55	57	54
Col. Steamship.	6	'54	94	95½	93½
Dom. Scott. Inv.	4	'52	92½	96	92
Dom. Woollens.	6	'33	94½	96½	93½
†Dufferin Pav.	5	'55	50	53	50
East. Dairies	6	'49	78½	80½	77½
Galt Brass	3	'50	75½	..	75
Gt. Lakes Pwr.	5	'57	96	98	96½
*Gurney Fdry.	5½	'49	69½	72	70
Ham. Cotton	4½	'50	100½	103	100
Indust. Accept.	4	'52	87	89½	86½
Inv. Bond & Sh.	5	'47	51½	53½	50½
*Kingston Elev.	6	'50	103¾	107	103½
†L. St. John P&P	5	'61	71	73	70½
Legare	6	'61	85½	87½	85½
L. St. Law. Pwr	5	'55	95½	98½	96
Man. Sugar (new issue)	5	'60	96½	98	..
Moirs Ltd.	6	'53	74½	..	74
†Mtrl. Drydocks.	6	'48	41	44	40½
*M. & O. New (when iss.)	..	..	75	77½	73½
†Munic. Bankers	..	..	9½	10½	9½
N.S. Light Pwr.	4	'37	100¾	103	101
Price Bros.	4	'57	85	88	88
E. L. Ruddy	6½	'48	100	102½	99½
Silv. Dairies	5	'51	100½	103	100½
Silv. Dairies	6	'66	92½	95	92
Stand. Lime	6	'44	96	98½	96½
Sterling Coal	6	'45	94	97	94½
Stop & Shop	3	'47	57	59	56½
St. Maurice Pr.	4½	'70	101	103½	100
Twin C. Rap. Tr.	5½	'52	68	70	68½
United Corp.	5	'53	92¾	94¾	92½
†Wpg. Elec., B	4-5	'65	52½	54½	53½

Miscellaneous Stocks:	Bid Nov. 26 $	Asked Nov. 26 $	Bid Nov. 19 $
Blue Top Brew., B	5.50	6.25	5.25
Brown Co., com.	1.50	2.25	1.75
Can. Inv. Fund	3.45	3.85	3.50
Can. Motorlamp, A	2⅞	3⅞	3.00
Can. Tube, com.	6.25	7.50	4.50
Can. West. Lumber	.40	.65	.45
Cap. Wirecl., com.	6.00	9.00	5.00
Cap. Wirecl., pref.	18.00	21.00	18.50
Collingw. T. units	.80	1.15	.75
Corp. Inv., A	5.85	6.25	5.85
Cor'gated Paperb., c	.50	1.00	⅝
Dover Ind.	8⅛	8.75	8.00
East. Bake., pref.	28.00	32.00	26.00
East. Stl. Prds., pf.	19.75	21.00	20.00
Ind. Accept., pref.	82.50	86.00	82.00
Int. Util., 1.75 pfd.	10.50	12.00	10.15
Int. Util., 3.50 pfd.	29.50	32.00	29.00
Inv. Found. units	42.50	45.00	40.50
Hart Battery, com.	4.25	6.00	4.00
Loew's London, pfd.	2⅞	3⅛	2.50
Mid. Loan & Savgs.	14.00	15.50	14.25
Moirs, 6% pfd.	18.00	20.00	17.50
Mt. Royal, new com.	2⅛	3.00	1⅞
Mt. Royal, old pfd.	3.00	4.00	2.75
N. Amer. Elev. pfd.	50.00	....	49.50
Pac. Coast Term.	9.00	9.75	8⅞
Prov. Bank	101.00	103.50	101.25
Tr. Fin. Inc. rts.	14.00	16.50	13.00
Trusts & Guar., new	51.00	55.00	50.00
Waterloo Manu. new	.85	1.50	.70
Waterloo Tr. & Sav.	100.50	103.00	100.00
West. Can. Hydro, p	11.00	12.25	11.25

*Payable U. S. and Can. funds. *Payable U. S. funds only. †Traded without accrued interest.

Investment Trusts

	Bid	Asked
Affiliated Fund	2.69	2.94
Can. Amer. Trust	3.25	3.75
Can. Inv. Fund	3.45	3.85
Grouped Income	...	5.20
Trans-Canada	10.60	11.60

Municipal Bonds

Nov. 26, 1940

†Halifax	5	1961	108.00	110.00	4.27
Hamilton	5	1950	110.90	112.90	3.40
Montreal	5	1945	96.50	100.50	4.86
Ottawa	4½	1948	104.40	106.40	3.00
†Quebec	5	1959	104.00	108.00	4.37
Saint John	5	1950	101.50	105.50	4.32
†Toronto	4½	1955	109.05	111.05	3.50
†Vancouver	5	1950	98.00	101.00	4.86
Winnipeg	5	1944	101.00	104.00	3.60

†Payable Can. and N.Y.

Annual Meetings

1940	Company	Place
Dec. 10,	Central Manitoba Mines,	Winnipeg
Dec. 10,	Candn. Bk. of Commerce,	Toronto
Dec. 11,	Dominion Bank,	Toronto
Dec. 16,	Brown Oil Corp.	Calgary
Dec. 18,	Dominion Glass,	Montreal

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass, p.	$1.75	Jan. 2	Dec. 16
Amal. Electric	25c	Dec. 26	Dec. 10
Asbestos Corp.	15c	Dec. 31	Dec. 15
Do., bonus	15c	Dec. 31	Dec. 15
Alta. W. Pres., p.	$1.75	Jan. 2	Dec. 23
Aluminium	$1.50	Dec. 5	Nov. 20
Do.	$2	Dec. 20	Nov. 30
Do., pref.	†$1.50	Dec. 1	Nov. 15
Anglo-Huronian	10c	Dec. 30	Dec. 16
Ang. Can. Tel., A	15c	Dec. 2	Nov. 15
Andian National	†$1	Dec. 2	Nov. 20
Do., extra	†50c	Dec. 2	Nov. 20
Assoc. Brew.	60c	Dec. 21	Dec. 14
Do., pref.	$1.75	Jan. 2	Dec. 14
Brazilian Tr., p.	$1.50	Jan. 2	Dec. 14
Burlington Steel	15c	Jan. 2	Dec. 16
Bulolo Gold	$1.50	Dec. 16	Nov. 21
Bk. Nova Scotia	$3	Jan 2	Dec. 16
Brit. Amer. Oil	25c	Jan. 2	Dec. 12
Bk. Can. Nationale	$2	Dec. 1	Nov. 15
Bank of Montreal	$2	Dec. 2	Oct. 31
Bank of Toronto	$2.50	Dec. 2	Nov. 15
Beattie Gold	4c	Dec. 5	Nov. 15
Do., extra	▪2c	Dec. 5	Nov. 15
Bathurst Pr., A	25c	Dec. 23	Dec. 5
Bright, T. G.	7½c	Dec. 16	Nov. 30
Do., pref.	$1.50	Dec. 16	Nov. 30
Broulan Porc.	▪3c	Dec. 21	Dec. 6
Can. Celanese	25c	Dec. 31	Dec. 17
Do., extra	40c	Dec. 31	Dec. 17
Do., pref.	$1.75	Dec. 31	Dec. 17
Canada Malting	50c	Dec. 14	Nov. 30
Do., extra	50c	Dec. 14	Nov. 30
Can. Canners	12½c	Jan. 2	Dec. 14
Do., pref.	25c	Jan. 2	Dec. 14
Do., participating	5c	Jan. 2	Dec. 14
Do., 2nd pref.	15c	Jan. 2	Dec. 14
Do., participating	5c	Jan. 2	Dec. 14
Canada Cycle	30c	Jan. 2	Dec. 10
Do., extra	20c	Jan. 2	Dec. 10
Do., pref.	$1.25	Dec. 26	Dec. 10
Can. Nor. Power	▪25c	Jan. 25	Dec. 31
Do., pref.	▪$1.75	Jan. 15	Dec. 31
Can. Perm. Mtge.	$2	Jan. 2	Dec. 14
Can. Cottons	$1	Jan. 2	Dec. 13
Do., pref.	$1.50	Jan. 2	Dec. 13
Can. W. N. Gas, p.	$1.50	Dec. 2	Nov. 15
Con. D. Std. Sec., p	37½c	Dec. 16	Nov. 30
Canada Packers	75c	Jan. 2	Dec. 16
Cariboo Gold	4c	Jan. 2	Dec. 3
Do., extra	2c	Jan. 2	Dec. 3
Cel. of Am., stk. div.	*	Dec. 10	Oct. 11
Do., prior pf.	†$1.75	Jan. 1 '41	Dec. 17
Do., part. pfd.	†$3.50	Dec. 31	Dec. 17
Can. W. & Cable, A	$1	Dec. 15	Nov. 30
Do., B	50c	Dec. 15	Nov. 30
Do., pref.	$1.62½	Dec. 15	Nov. 30
Can. Gen. Elec.	$2	Jan. 2	Dec. 14
Can. Int. Inv. Tr., p	50c	Dec. 2	Nov. 15
Chesterville L.	▲5c	Dec. 14	Nov. 25
Confed. Amuse., pf.	$3	Dec. 4	Nov. 15
Coniaurum M.	4c	Dec. 5	Nov. 15
Do., extra	▪2c	Dec. 5	Nov. 15
Crow's Nest Coal	$1.50	Dec. 2	Nov. 7
Canada Cement, p.	$1.25	Dec. 20	Nov. 30
Can. Malartic G.	▪2c	Dec. 17	Nov. 28
Can. Indemnity	$3	Jan. 2	Dec. 20
Do., bonus	$2	Jan. 2	Dec. 20
Canadian Fire	$2	Jan. 2	Dec. 20
Confederation Life	$1.50	Dec. 31	Dec. 25
Canada Bud Brew.	20c	Dec. 12	Dec. 6
Can. Tube & Stl., p.	$3	Dec. 16	Dec. 7
Can. Dom. Sugar	37½c	Dec. 1	Nov. 15
Can. Foundries, A	37½c	Dec. 16	Dec. 2
Do., B	$1.50	Dec. 18	Dec. 2
Cap. W. Cloth, p.	37c	Dec. 15	Dec. 10
Cons. Smelters	50c	Dec. 31	Nov. 30
Do., extra	75c	Dec. 31	Nov. 30
Canada Vinegars	10c	Dec. 2	Nov. 20
Can. Indust., A, B	$1.75	Dec. 20	Dec. 14
Do., pref.	$1.75	Jan. 15	Dec. 31
Chartered Trust	$1	Jan. 2	Dec. 16
David & Frere, A	25c	Dec. 31	Dec. 16
Dom. Envelope, p.	$1.75	Dec. 1	Nov. 20
Dom. Textile	$1.25	Jan. 2	Dec. 14
Do., pref.	$1.75	Jan. 15	Dec. 31
Dom. Foundries, p.	$1.50	Dec. 2	Nov. 20
Dom. Scot. Inv., p.	50c	Dec. 2	Nov. 20
Deb. & Secs., pref.	$2.50	Jan. 1	Dec. 23
Distil.-Seag., c.	55½c	Dec. 16	Dec. 2
Dominion Coal, pf.	38c	Jan. 2	Dec. 14
Dom. & Ang. Inv. p	$1.25	Dec. 2	Nov. 15
Dome Mines	▪50c	Jan. 20	Dec. 31
East Malartic M.	10c	Dec. 2	Nov. 1
English Elec., A	62½c	Dec. 16	Nov. 30
Electrolux	25c	Dec. 23	Dec. 5
Famous Players	25c	Dec. 27	Dec. 17
Fanny Farmer	†37½c	Dec. 20	Dec. 5
Do., extra	†25c	Dec. 20	Dec. 5
Ford Motor, A, B	25c	Dec. 21	Nov. 30
Francoeur Gold	▲3c	Dec. 20	Dec. 5
Gatineau Pwr., p.	$1.25	Jan. 1	Nov. 30
Do., 5½% pref.	$1.38	Jan. 1	Nov. 30
Do., com.	20c	Dec. 31	Nov. 30
Grouped Inc. Shs.	11c	Nov. 30	Coup. 19
Gold Belt M.	2c	Dec. 16	Nov. 30
Goldale Mines	2c	Dec. 18	Dec. 3
Growers' Wine	5c	Dec. 15	Dec. 10
Granby Cons.	▪†15c	Dec. 2	Nov. 15
Greening Wire	15c	Jan. 2	Dec. 16
Hallnor Mines	15c	Dec. 2	Nov. 15
Hard Rock G.	5c	Dec. 20	Nov. 30
Ham. Un. Theat., p.	$1.25	Dec. 31	Nov. 30
Hollinger Cons.	5c	Dec. 2	Nov. 18
Do., extra	5c	Dec. 2	Nov. 18
Howey Gold	3c	Dec. 31	Nov. 30
Hudson Bay M.	$1	Dec. 16	Dec. 3
Imp. Tobacco, ord.	10c	Dec. 31	Dec. 6
Island Mtn. M.	7c	Dec. 16	Dec. 2
Inter. C. Bak.	$1.50	Dec. 10	Dec. 2
Inter. Nickel, c.	50c	Dec. 31	Dec. 2
Imperial Oil	25c	Dec. 2	Nov. 15
Inter. Petroleum	50c	Dec. 2	Nov. 20
Do., pref.	50c	Dec. 2	Nov. 20
Kerr-Add. Gold	5c	Dec. 20	Nov. 30
Kerr Lake M.	†5c	Dec. 16	Dec. 2
Lake of Woods M.	50c	Dec. 2	Nov. 15
Do., pref.	$1.75	Dec. 2	Nov. 15
Little Long Lac	10c	Dec. 21	Dec. 7
Louisiana Land	†5c	Dec. 16	Dec. 2
Lake Shore M.	▪50c	Dec. 14	Nov. 30
Laura Secord	20c	Dec. 2	Nov. 15
Lamaque Gold	10c	Jan. 1	Dec. 6
Loblaw Groc., A B	25c	Dec. 2	Nov. 9
Do., extra	12½c	Dec. 2	Nov. 9
Madsen R. Lake	3c	Dec. 15	Dec. 1
McIntyre Porc.	55½	Dec. 2	Nov. 1
Do., extra	$1.11	Jan. 2, '41	Nov. 1
Magnet Cons.	5c	Dec. 18	Nov. 25
Montreal Cottons	$1	Dec. 15	Nov. 30
Do., pref.	$1.75	Dec. 15	Nov. 30
Mtl. Refrig. & S., p.	$1.25	Dec. 16	Dec. 4
MacLeod-Cockshutt	10c	Dec. 20	Nov. 30
Model Oils	2c	Dec. 21	Dec. 2
Modern Contain.	20c	Jan. 1	Dec. 20
Do., extra	10c	Jan. 1	Dec. 20
Do., pref.	$1.37½	Jan. 1	Dec. 20
MacKinnon Stl., pf.	$1.25	Dec. 16	Dec. 2
Marcus Loew's, pf.	$3.50	Dec. 21	Dec. 7
Montreal Loan	31¼c	Dec. 16	Nov. 30
McKen. R. Lake	‡3c	Dec. 18	Nov. 30
Macassa Mines	8c	Dec. 16	Nov. 30
Do., extra	3c	Dec. 16	Nov. 30
Melchers, pref.	30c	Dec. 20	Dec. 4
Mtl. C. & D. Bank	$3	Jan. 2	Dec. 14
Do., extra	$1	Jan. 2	Dec. 14
Naybob Gold	▲1c	Jan. 15	Jan. 1
Do.	1c	Apr. 15	Apr. 1
Nat. Grocers, pf.	37½c	Jan. 1	Dec. 14
Nipissing Mines	15c	Dec. 11	Nov. 15
Nat. Biscuit	†40c	Jan. 15 '41	Dec. 13
Nat. Steel Car	50c	Jan. 15	Dec. 31
Noranda Mines	$1	Dec. 16	Nov. 25
Northwest. Util., p.	$1.50	Dec. 1	Nov. 25
N. S. Light & P., p.	$1.50	Dec. 2	Nov. 16
Ogilvie Flour, pf.	$1.75	Dec. 2	Nov. 18
Ottawa Elec.	30c	Dec. 30	Dec. 16
Ottawa L. H. Pr.	25c	Jan. 1	Nov. 23
Do., pref.	$1.25	Jan. 1	Nov. 23
Power Corp.	15c	Feb. 1	Dec. 31
Do., pref.	$1.50	Jan. 15	Dec. 31
Do., 2nd pref.	75c	Jan. 15	Dec. 31
Pamour Porc	6c	Dec. 2	Nov. 15
Pressed Metals	†25c	Dec. 2	Nov. 15
Preston E. Dome	5c	Jan. 15	Dec. 31
Do., extra	5c	Jan. 15	Dec. 31
Provincial Bank	$1.50	Dec. 1	Nov. 15
Placer Develop.	60c	Dec. 16	Nov. 21
Pato Cons. G.	10c	Dec. 18	Nov. 21
Paton Mfg.	50c	Dec. 15	Nov. 30
Do., pref.	$1.75	Dec. 15	Nov. 30
Pioneer Gold	10c	Jan. 2	Nov. 30
Perron Gold	4c	Dec. 21	Dec. 1
Do., extra	1c	Dec. 21	Dec. 1
Pickle Crow	10c	Dec. 31	Dec. 16
Real Est. Loan	$1	Jan. 2	Dec. 17
Regent Knit.	25c	Dec. 30	Dec. 14
Do., pref.	40c	Dec. 30	Dec. 14
Reliance Grain, p.	$1.62½	Dec. 14	Nov. 30
Royal Bank	$2	Dec. 2	Oct. 31
Rolland Paper, pf.	$1.50	Dec. 2	Nov. 15
Royalite Oil	50c	Dec. 2	Nov. 15
R. S. Mills, A	50c	Jan. 2	Nov. 19
Russell Indust.	20c	Dec. 26	Dec. 10
Do., pref.	$1.75	Dec. 26	Dec. 10
Siscoe Gold	2½c	Dec. 16	Nov. 16
Sherritt G. M.	▪5c	Dec. 12	Nov. 12
Sher.-Williams, pf.	$3.50	Jan. 2	Dec. 15
Sylvanite Gold	†5c	Dec. 28	Nov. 6
Do., extra	†5c	Dec. 28	Nov. 6
South. Can. Pr.	20c	Feb. 15	Jan. 31
Do., pref.	$1.50	Jan. 15	Dec. 20
Simon & Sons	15c	Dec. 21	Dec. 7
Do., pref.	$1.75	Dec. 21	Dec. 7
Stuart, D. A. Oil, p.	20c	Dec. 2	Nov. 20
St. Law. Corp., A	25c	Jan. 15	Jan. 2
Do., extra	90c	Dec. 23	Dec. 10
St. Law. Paper, p.	50c	Jan. 15	Jan. 2
Do., extra	$2	Dec. 23	Dec. 10
Supersilk H., pf.	$2.50	Jan. 2	Dec. 13
Teck-Hughes	▪10c	Jan. 1	Dec. 6
Toronto Elevators, c.	$1	Dec. 7	Nov. 25
Toronto Elevators, p.	68c	Dec. 7	Nov. 25
Union Gas	20c	Dec. 14	Nov. 20
United Fuel, A pfd.	75c	Jan. 2, '41	Dec. 20
Ventures	▪10c	Dec. 21	Nov. 29
Weston, Geo., c.	20c	Jan. 2	Dec. 12
Walker-Good.	$1	Dec. 16	Nov. 29
Do., pref.	25c	Dec. 16	Nov. 29
West. Can. Hyd., B	5c	Dec. 1	Nov. 20
Do., pref.	20c	Dec. 1	Nov. 20
Wilsil	25c	Jan. 2	Dec. 14
Wendigo Gold	▪▲3c	Dec. 2	Nov. 25
Wr.-Hargreaves	11.1c	Jan. 2	Nov. 20
Do., extra	5.55c	Jan. 2	Nov. 20
Do., interim	11.1c	Jan. 20	Dec. 2

†Payable in U. S. funds.
▪Subject to approval by Foreign Exchange Control Board.
*One share for each 30 common shares held.
‡Initial.
▲Plus 1 sh. McMarmac Red Lake Gold Mines for each 5 shs. McKenzie held.

Mining Dividends

	Rate	Close Nov. 25	Yield %
Anglo-Huronian	10c	2.25	..
Beattie Gold	16c+2c	1.15	*15.6
Bralorne	80c+40c	10.50	*11.4
Broulan Porc.	6c	.85	..
Buffalo Ankerite	‡31c	4.85	..
Bulolo Gold	$3	14.50	20.7
Can. Malartic	8c	.60	..
Cariboo Gold	16c+8c	2.15	*11.1
Central Patricia	16c+7c	1.95	*11.8
Chesterville	†5c	1.32	..
Cochenour Willans	†3c	.74	..
Coniagas	‡25c	1.50	..
Coniaurum	16c+2c	1.40	*12.8
Cons. Smelters	$1+$1.25	43.00	*5.2
Delnite	‡6c	.90	..
Dome Mines	$2	25.00	8
East Malartic	30c	3.10	9.7
Francoeur Gold	†3c	.45	..
God's Lake	2½c	.40	..
Goldale	2c	.18	..
Gold Belt	†2c	.26	..
Gunnar Gold	‡6c	.40	..
Hallnor	60c	5.10	11.8
Hard Rock	‡10c	1.07	..
Hedley Mascot	‡8c	.55	..
Hollinger	65c+45c	13.37	*8.2
Howey Gold	‡2c	.33½	..
Hudson Bay	$1.75	27.00	6.5
Inter. Nickel, com.	$2	37.25	5.4
Island Mountain	15c	.92	..
Kerr Addison	‡15c	3.55	..
Kerr Lake	‡10c	.20	..
Kirkland Lake	10c+2c	.98	*12.2
Kootenay Belle	‡12c	.26	..
Lamaque Gold	40c+10c	5.00	*10
Lake Shore	$2	20.50	9.7
Leitch	8c	.50¾	15.8
Little Long Lac	30c	2.20	13.6
Macassa	32c	3.85	8.3
Madsen R. Lake	6c	.62	..
McGillivray Coal	3c	.25	..
McKenzie Red L.	▲12c	1.34	8.9
McWatters	10c	.26	..
Moneta	12c	.55	21.8
McIntyre Porc.	$2.05½+1▪	49.00	*6.1
MacLeod-Cockshutt	‡20c	2.50	..
Naybob Gold	4c	.29½	..
Nipissing	15c	1.10	..
Noranda	$4	58.00	6.9
North Empire	‡40c	6.50	..
O'Brien Gold	‡10c	.85	..
Pamour Porc.	12c	1.45	8.3
Pato Cons.	20c	2.10	..
Paymaster	2c	.26	..
Perron Gold	16c+4c	1.75	*11.4
Pioneer, B.C.	40c	2.25	17.7
Pickle Crow	40c	3.00	13.3
Placer Develop.	$1.20	10.00	12
Premier	12c	.90	13.3
Preston E. Dome	20c+5c	3.20	..
Privateer Mine	‡16c+2c	.60	..
Powell Rouyn	20c	1.09	..
Quebec Gold	‡2c	.28	..
Relief Arlington	†5c	.03½	..
San Antonio	14c+6c	2.57	*7.8
Sheep Creek	16c+3c	.90	*21.1
Sherritt Gordon	10c	.84	..
Sigma Mines	‡45c	7.50	..
Silbak Premier	16c	.60	26.6
Siscoe	‡11½c	.50	..
Sturgeon River	†2c	.18	..
Sudbury Basin	2½c	1.35	..
Sullivan Cons.	‡9c	.60	..
Surf Inlet	†1½c	.10	..
Sylvanite Gold	20c+10c	2.80	*10.7
Teck-Hughes	40c+5c	3.35	*13.4
Toburn	8c+8c	1.50	*10.6
Upper Canada	‡6c	1.63	..
Ventures	15c	3.25	..
Waite Amulet	†10c	3.85	..
Wendigo	†3c	.26	..
Wright-Harg.	40c+30c	7.10	*9.8

*Yield including bonus. †Initial.
‡Paid or payable in 1940 to date.
▪An extra dividend of $1.11 declared payable Jan. 2, 1941.
▲Plus 1 sh. McMarmac Red Lake Gold Mines for each 5 shs. McKenzie held.

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, the eleventh day of December, 1940, at the hour of 2.30 o'clock in the afternoon.

By Order of the Board.
ROBERT RAE,
General Manager.

Toronto, 24th October, 1940.

Gold Belt Mining Company Limited

(Non-Personal Liability)

Notice of Interim Dividend No. 2

Notice is hereby given that Interim Dividend No. 2 of two cents per share has been declared on the paid-up Capital Stock of the Company, payable on the 16th day of December, 1940, to shareholders of record at the close of business on the 30th day of November, 1940. Persons holding certificates not registered in their name, commonly known as "street" certificates, should have them registered in their name by the Company's Transfer Agents, The London & Western Trusts Company Limited, at their office, 475 Howe Street, Vancouver, B.C., or at their office, 200 Bay Street, Toronto, Ontario, on or before 30th November next.

By Order of the Board.
JAMES ANDERSON,
Secretary.

Vancouver, B.C.,
November 21, 1940.

NOTICE OF DIVIDEND

Famous Players Canadian Corporation Limited

NOTICE is hereby given that a quarterly dividend of Twenty-five Cents (25c) per share has been declared on all issued common shares of the Company without nominal or par value, payable on Friday, the 27th day of December, 1940, to shareholders of record, Tuesday, the 17th day of December, 1940.

By order of the Board,
THOS. J. BRAGG,
Secretary-Treasurer.

Dated at Toronto, this 20th day of November, 1940.

THE MONTREAL COTTONS LIMITED

NOTICE IS HEREBY GIVEN THAT A QUARTERLY DIVIDEND OF ONE AND THREE QUARTERS PER CENT (1¾%), being at the rate of Seven per cent (7%) per annum, has been declared upon the preferred stock of the Company, and cheques will be mailed on the fifteenth day of December next, to shareholders of record at the close of business on the 30th day of November, 1940.

By Order of the Board,
CHAS. GURNHAM,
Secretary-Treasurer.

Valleyfield, November 20th, 1940.

THE MONTREAL COTTONS LIMITED

NOTICE IS HEREBY GIVEN THAT A DIVIDEND OF ONE PER CENT (1%) has been declared upon the Common Stock of the Company, and cheques will be mailed on the fifteenth day of December next, to shareholders of record at the close of business on the 30th day of November, 1940.

By Order of the Board,
CHAS. GURNHAM,
Secretary-Treasurer.

Valleyfield, November 20th, 1940.

Will Sell: Andian National, B.C. Pulp Com., Premier Trust, Federal Grain pref., John Inglis, com., Can. Wire A.

A.J. Pattison, Jr. & Co.
Established 1907
Royal Bank Bldg. EL. 5101 Toronto
THIRD FLOOR

NOTICE OF MEETING

The Canadian Bank of Commerce

The annual meeting of the shareholders of this Bank, for the election of Directors and for other business, will be held at its banking house, No. 25 King Street West, Toronto, on Tuesday, the tenth day of December next.

The chair will be taken at 11 o'clock a.m.

By order of the Board,
A. E. ARSCOTT,
General Manager.

Toronto, 18th October, 1940.

DIVIDEND NOTICES

Canada Permanent Mortgage Corporation

Notice is hereby given that a Dividend of TWO PER CENT on the paid-up Capital Stock of the Corporation has been declared for the current quarter, and that the same will be payable

THURSDAY, THE SECOND DAY OF JANUARY

next, to Shareholders of record at the close of business on the Fourteenth day of December, 1940.

By order of the Board.
WALTER F. WATKINS,
Secretary.

Toronto, November 20th, 1940.

DIVIDEND NOTICE

Canada Malting Co., Limited

Notice is hereby given that a quarterly dividend of Fifty Cents (50c) per share and a bonus of Fifty Cents (50c) per share has been declared on the no par value stock of the Company.

The above dividend and bonus is payable December 14th, 1940, to Shareholders of record at the close of business on the 30th day of November, 1940. The books of the Company are to be closed from December 2nd, 1940, to December 13th, 1940, inclusive.

Share Warrant Holders will present Coupon Serial No. 52 to the Royal Bank of Canada, MONTREAL, TORONTO, WINNIPEG and CALGARY, on and after December 14th, 1940.

By Order of the Board,
JOHN P. HEIGHTON,
Secretary.

Dated at Montreal,
November 22nd, 1940.

Dominion Textile Co. Limited

Notice of Preferred Stock Dividend

A DIVIDEND of One and Three Quarters per cent. (1¾%) has been declared on the Preferred Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending 31st December, 1940, payable 15th January, 1941, to shareholders of record 31st December, 1940.

By order of the Board,
L. P. WEBSTER,
Secretary.

Montreal, November 20th, 1940.

Dominion Textile Co. Limited

Notice of Common Stock Dividend

A DIVIDEND of One Dollar and Twenty-five cents ($1.25) per share, has been declared on the Common Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending 31st December, 1940, payable 2nd January, 1941, to shareholders of record 14th December, 1940.

By order of the Board,
L. P. WEBSTER,
Secretary.

Montreal, November 20th, 1940.

St. Lawrence Paper Mills Company Limited

PREFERRED STOCK DIVIDEND NOTICE

At a meeting of the Board of Directors of this Company, held today, a special payment of Two Dollars ($2.00) per share on account of arrears of Dividends on the Company's Preferred Shares was declared, payable on 23rd December, 1940, to shareholders of record of 10th December, 1940. In addition a Dividend of Fifty Cents (50c) per share was declared, payable on 15th January, 1941, to shareholders of record of 2nd January, 1941. The latter places the shares on a regular quarterly dividend basis of Fifty cents (50c) per share, it being the intention of the Directors to pay at the end of 1941 such additional distribution as conditions will warrant at that time.

By Order of the Board,
L. A. TUCKER,
Secretary.

Montreal, Que.,
November 21st, 1940.

St. Lawrence Corporation Limited

CLASS "A" STOCK DIVIDEND NOTICE

At a Meeting of the Board of Directors of this Company held today a special payment of Ninety cents (90c) per share was declared on account of arrears of Dividends on the Corporation's Class "A" Preferred Shares, payable on 23rd December, 1940, to shareholders of record of 10th December, 1940, and a regular Dividend of Twenty-five cents (25c) per share was declared, payable on 15th January, 1941, to shareholders of record of 2nd January, 1941. This action of the Board raises the total of the dividends paid in 1940 to $1.50 per share and increases the regular dividend from Twenty cents (20c) to Twenty-five cents (25c) per quarter.

By Order of the Board,
L. A. TUCKER,
Secretary.

Montreal, Que.,
21st November, 1940.

DIVIDEND NOTICES

MACASSA MINES, LIMITED

(No Personal Liability)

DIVIDEND NO. 22
EXTRA DIVIDEND NO. 5

Notice is hereby given that a dividend of 8c per share and an extra dividend of 3c per share, making a total of 11c per share, has been declared on the capital stock of the company for the quarter ending December 31st next, and will be payable on December 16th to shareholders of record November 30th, 1940.

Taxes imposed on shareholders' dividends will be deducted where applicable.

By order of the Board,
L. SOLIAGUE,
Secretary.

Toronto, November 25th, 1940.

Amalgamated Electric Corporation Limited

INTERIM DIVIDEND

Notice is hereby given that an Interim Dividend of twenty-five cents per share has been declared on the outstanding shares without nominal or par value of the capital stock of the Company, such dividend to be payable on December 26, 1940, to shareholders of record at the close of business on December 10, 1940.

By Order of the Board.
WILLIAM CARSWELL,
Secretary.

Montreal, P.Q.
November 26th, 1940.

Canadian Celanese Limited,

1401 McGill College Avenue
MONTREAL, P.Q., CANADA
November 25, 1940.

The Board of Directors has this day taken the following action with respect to interest and dividends:

Income Funding Rights

March 15, 1941, has been fixed as the date on which interest in respect of the year 1940 will be paid to the holders of income funding rights of record at the close of business on December 31, 1940.

Seven Per Cent Cumulative Participating Preferred Stock

One dollar seventy-five cents ($1.75) per share, which shall be deemed to be for the three months period, from October 1, 1940, to December 31, 1940, has been declared payable December 31, 1940, to holders of record at the close of business on December 17, 1940.

The amount of participating dividend to which the holders of the seven per cent cumulative participating preferred stock are entitled for the year 1940 will be determined when the company's accounts for the year have been closed.

Common Stock

Twenty-five cents (25c) per share in respect of the fourth quarter of 1940; and, in addition, an extra dividend of forty cents (40c) per share, have been declared payable December 31, 1940, to holders of record at the close of business on December 17, 1940.

H. BLANCKE,
Secretary.

The Ontario Loan and Debenture Company

214th DIVIDEND

Notice is hereby given that a Quarterly Dividend of $1.25 per share for the current quarter ending 31st December, 1940, has been declared on the paid up Capital Stock of this Company and will be payable at the Company's Office, London, Ontario, on the 2nd January, 1941, to Shareholders of record at the close of business on the 16th December, 1940.

By Order of the Board.
T. H. MAIN, Manager.

London, Ontario,
26th November, 1940.

Preston East Dome Mines, Limited

(No Personal Liability)

DIVIDEND No. 5

NOTICE is hereby given that a regular quarterly dividend of five cents per share, plus an extra dividend of five cents per share, has been declared on the issued capital stock of the Company, payable in Canadian funds January 15, 1941, to shareholders of record at the close of business on the 31st day of December, 1940.

By Order of the Board.
L. I. HALL,
Secretary.

Toronto, November 22nd, 1940.

Little Long Lac Gold Mines Limited

35 King Street West,
Toronto, Ontario.

DIVIDEND NOTICE
DIVIDEND NO. 16.

Notice is hereby given that a dividend of 10c per share has been declared by the Directors of Little Long Lac Gold Mines Limited, payable in Canadian funds on December 21st, 1940, to shareholders of record at the close of business, December 7th, 1940.

By order of the Board.
G. G. BLACKSTOCK,
Secretary-Treasurer.

November 21st, 1940.

The Consolidated Mining & Smelting Co. of Canada Limited

DIVIDEND No. 71

NOTICE IS HEREBY GIVEN that a Dividend of 50 cents per share on the paid up Capital Stock of the Company for the six months ending December 31st, 1940, with a bonus of 75 cents per share, has this day been declared payable on the 31st day of December, 1940, to Shareholders of record at the close of business on the 30th day of November, 1940.

By Order of the Board.
J. E. RILEY,
Secretary.

Montreal, P.Q.
November 22nd, 1940.

Imperial Tobacco Company of Canada, Limited

DIVIDEND

Notice is hereby given that an Interim Dividend (No. 140) of ten cents (10c) per share on the paid-up Ordinary Shares of the Company has been declared payable on Tuesday, the 31st day of December, 1940, to shareholders of record at the close of business on Friday, the 6th day of December, 1940.

By Order of the Board.
A. L. ROBERTSON,
Secretary

MONTREAL, P.Q.,
22nd November, 1940.

PICKLE CROW GOLD MINES LIMITED

(No Personal Liability)

NOTICE OF DIVIDEND NO. 20

Notice is hereby given that a dividend of ten cents (10c) per share in Canadian funds has been declared, payable on Tuesday, December 31st, 1940, to shareholders of the company of record at the close of business on Monday, December 16th.

By Order of the Board.
ROBERT FENNELL, K.C.,
Treasurer

Toronto, Ont., Nov. 19, 1940.

Week in Wheat

Interest Concentrated In Futures Market

See Possibility of Exports to Orient—Traders Watch Argentine Where New Crop Now Being Harvested

From Our Own Correspondent

WINNIPEG.—There was a little more interest in wheat futures at the beginning of the week, following a short spurt in Chicago. Generally trading has remained at nominal levels with most buying for domestic account.

More activity is reported from the Pacific Coast where there are indications that Canada may benefit from the withdrawals of export flour subsidies by United States Government. There has been some revival of interest by buyers from China, though serious shipping difficulties remain to be solved.

Traders are watching the Argentine situation closely. The crop year ends there Dec. 1. Carryover is reported practically nil. The new crop, harvesting of which has already started, is better than expected and may run as high as 230 million bushels. Aside from a guaranteed export of perhaps 50 million bushels to Brazil the remainder of the exportable surplus must find a market largely in the United Kingdom. Whether shipping will be available to move this remains to be seen. There are no regular convoy shipments from the Argentine, there are from Canada.

• • •

Congestion Eased

Official announcement that the basic wheat quota delivery at all points is to be made 10 bushels per acre was in accordance with general expectation. Fairly good clearances of wheat from the Head of the Lakes during the past few weeks have resulted in a clearance of many of the cars previously held on track waiting the opportunity to unload them in terminal elevators. Further extensive clearances are in prospect for the remaining period of open navigation.

There will be some extensive loading on lake vessels for winter storage, although there is still uncertainty as to the extent to which vessel owners will tie up their boats in this trade. The railways, in view of relaxation of congestion, are now loading wheat at country elevators with greater freedom than a few weeks ago. Cars have been supplied during the past week to the comparatively limited number of shipping points where farmers have not yet been able to get in the basic quota of 8 bushels per acre. Allocation of cars is now in prospect for other points from which it has been necessary to embargo shipments for some time.

• • •

Storage Payments Help

The effect is now beginning to be noticeable, on deliveries of wheat by farmers, of the payment of farm storage by the Wheat Board. Generally throughout the West there are a considerable number of farmers who are willing to pass up the opportunity to make immediate deliveries because of the additional revenue to be obtained by loading their wheat through the winter, and this is making it possible for additional space to be allocated to farmers whose need for making wheat deliveries is more pressing.

• • •

The Oat Situation

Usually there is a substantial rise in the visible supply of oats in Canada immediately following harvest, farmers marketing their crop more quickly than it can be absorbed into consumption or export channels. One of the remarkable features of the present season, states the current grain letter of Jas. Richardson and Sons, is that stocks have accumulated so slowly. On July 31, 1940, there were 6 million bushels of Canadian oats in elevators in Canada and the United States, and in transit; by November 15 stocks had risen to only 7.7 millions. A year ago, i.e., on Nov. 15, 1939, oats stocks were 11.9 million bushels. This slow rate of increase would seem to indicate that current farm marketings are being absorbed without delay. Shipments out of Fort William-Port Arthur, which are a measure of demand both for eastern feeding and manufacturing purposes and for export, have been running only slightly behind last year.

One of the favorable aspects of the oats situation is the prospect of continued good sales to eastern Canada for feeding purposes. The oats crops, particularly in Ontario, was a disappointment, necessitating heavy purchases of feed from outside. Demand for western oats to fill the deficiency is good now and is likely to become even more important as winter advances and local supplies are consumed.

C. N. Prospects Less Hopeful

Lower Wheat Movements Cause Upward Revision in Deficit Estimate

From Our Own Correspondent

MONTREAL.—Indications are that revenues of Canadian National Railways for the current year will be somewhat less than originally expected because of the decline in wheat movements.

General freight and passenger traffic has been well up over last year, but wheat movements have been sharply curtailed because of lost export markets. In the fall of last year revenue of the Government-owned road showed a marked betterment, much of which was attributable to the eastward movement of prairie wheat.

Expect Nov.-Dec. Drop

It is anticipated that while operations for the full year will be substantially better than last year the last two months will show a decrease in revenue from last year when wheat traffic was heavy.

It was originally estimated that deficit for the year would be in the neighborhood of $15 millions, a betterment of about $23 millions from last year. These calculations were based at the early part of the year on normal or better than normal wheat movements in the closing months of the year. Now, however, it is anticipated that the actual deficit will be nearer $20 millions.

Wheat Movements Down

Smaller wheat shipments and higher operating costs are revealed by the system's financial statement for October. While operating revenue of the all-inclusive system was up $1 million to $23 millions, higher operating expenses contracted net revenue for the month, compared with the same month last year. Net dropped $212,526, or 3.9% from last year.

Gross operating revenue for the 10 months to Oct. 31 totalled $201.4 millions, an increase of $37.2 millions. Operating expenses for the period increased by $16.1 millions, leaving an increase in net revenue of $21.1 millions, or 175%.

Earnings Statement

October:	1940 $	1939 $
Oper. revenue	22,984,979	21,943,135
Oper. expenses	17,743,657	16,489,307
Net revenue	5,241,322	5,453,828
Ten Months — to Oct. 31:		
Oper. revenue	201,400,970	164,189,092
Oper. expenses	168,191,322	152,082,890
Net revenue	33,209,638	12,106,202

CANADA MALTING EXTRA

Canada Malting Co. has declared an extra of 50 cents a share, payable along with the regular dividend of the same amount on Dec. 14 to shareholders of record Nov. 30. The company has paid year-end extras of this amount each since Dec. 15, 1935.

Wheat Prices

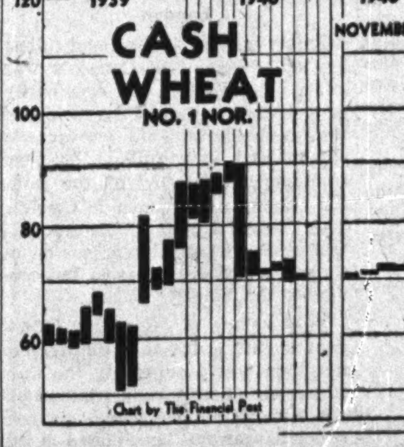


Chart by The Financial Post

Cash Quotations

For Week

	Nov. 25 High	Nov. 25 Low	Prev. Week High	Prev. Week Low
Wheat:				
1 Hard	.72⅝	.71½	.72⅞	.71⅝
1 Nor.	.72⅜	.71⅛	.72⅞	.71⅝
2 Nor.	.70⅝	.69¾	.71⅛	.69¾
3 Nor.	.68⅞	.68	.69⅜	.68
4 Nor.	.66⅝	.65¾	.66⅞	.65⅝
5 Wheat	.63⅛	.62¼	.63⅞	.62½
6 Wheat	.59⅝	.58¾	.60⅝	.59
Feed	.55⅝	.54¾	.56⅜	.55
Oats:				
2 C. W.	.36¼	.34⅝	.36¾	.35½
3 C. W.	.33½	.32⅝	.34	.32½
Barley:				
1 Feed	.45⅝	.41⅝	.49¾	.46
2 Feed	.45⅛	.40⅝	.49¼	.45⅝
Flax:				
1 C. W.	1.29⅛	1.25¼	1.32⅛	1.30½
2 C. W.	1.26⅛	1.21¼	1.28½	1.26½
Rye:				
2 C. W.	.46⅞	.45½	.48⅛	.48½

Winnipeg Grain Futures

Week to Nov. 25, 1940

Crop year from Aug. 1, 1940 High	Crop year from Aug. 1, 1940 Low		Open Nov. 19	High for week	Low for week	Close Nov. 25	Close year ago
		Wheat					
.74⅝	.71⅝	Dec.	.72	.72⅞	.71¾	.72⅜	.70½
.77⅝	.73⅛	May	.76¼	.76⅞	.76	.76½	.74⅞
.79¼	.77½	July	.77⅞	.78⅝	.77⅝	.78¼	.76⅝
		Oats					
.34⅞	.25⅝	Dec.	.34	.34	.32⅞	.33	.31⅞
.33⅝	.26⅝	May	.33	.33	.31⅝	.32¼	.33⅝
.32⅝	.29½	July	.31⅞	.31⅞	.30⅞	.31	.33¼
		Barley					
.48½	.30½	Dec.	.46½	.46½	.43	.43⅝	.42¾
.46⅞	.33⅝	May	.44¼	.44¼	.41	.42⅝	.44⅞
.44⅝	.39⅝	July	.....	.41⅝	.39⅞	.41⅝	.45
		Flax					
1.34⅛	1.15¼	Dec.	1.31¼	1.31¼	1.25¾	1.29⅜	1.56½
1.39⅝	1.16	May	1.35⅛	1.35⅛	1.29½	1.33⅞	1.62¼
1.34⅛	1.29½	July	.....	1.34⅛	1.29½	1.34⅛	.....
		Rye					
.49½	.40¾	Dec.	.47⅝	.47⅝	.45⅝	.46⅝	.55⅝
.52	.44¼	May	.50⅞	.50⅞	.48⅝	.49½	.58¼

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Exporters and Shippers
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Branch Offices: Toronto and Vancouver

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109 Country Elevators
Total Storage Capacity 6,925,000 bus.
31 Vessels on the Great Lakes
Total Carrying Capacity 4,500,000 bus. per trip
Head Office: FORT WILLIAM, ONT.

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FIDELITY
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The
WAWANESA
Mutual Insurance Company
Assets Exceed ... $2,600,000.00
Surplus 1,330,363.89
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Deposit exceeds 1,000,000.00
Wawanesa ranks 1st against all Companies operating in Canada on Net Fire Premiums Written according to Dominion figures for 1939.
Head Office: Wawanesa, Man.
Eastern Office: Toronto, Ont.
Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal and Moncton
2,000 Agents Across Canada

Fire Insurance and Allied Lines
AGENCY INQUIRIES INVITED
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LIFE ASSURANCE COMPANY
A PROGRESSIVE
CANADIAN COMPANY

Life Insurance

Shows How War Clauses In Life Policies Work

Admittedly war represents an abnormal risk of human life.

Accordingly in the last war Canadian life insurance companies found it necessary to provide for increased mortality on new business and in addition to dip into their accumulated contingency reserves to meet losses on old business.

With this experience in mind the companies took what they considered necessary steps to ensure the soundness of their business during the present war.

At the Life Insurance Institute of Canada A. P. Morton, manager of the medical department of the Manufacturers' Life Insurance Co., explained reasons for this policy. His address, in summary form, follows:

Special clauses are necessary in time of war because:

A body of lives entirely different from that in normal times offers itself for insurance, containing a greater proportion of applicants of military age than usual.

These individuals, anxious for insurance protection in times of unusual risk, apply for larger amounts and cheaper plans of insurance.

Sales resistance among those of military age accordingly without some sort of special restriction would entirely disappear. Accordingly a war clause, excluding coverage against death due to war, eliminates the war hazard as a possible motive for the purchase of insurance that otherwise would not be bought.

In the previous war there was considerable difference in the restrictions adopted by various companies. This led to considerable confusion for the public. On this occasion it was felt that less confusion and better results would be obtained from general company action.

General Features

Features of the clause finally adopted and reasons for it were:

(1) All deaths regardless of cause while on military service outside Canada and within six months after returns to Canada were excluded. It was felt this was the fairest way, as if deaths only directly or indirectly due to war were excluded, difficulty would likely arise frequently as to whether death was, or was not, due directly to war. For instance, death from pneumonia might be clearly due to war but settlement of the claim might result in a dispute.

(2) Complete coverage is given in Canada to service in the armed forces except in regard to aviation. This decision giving full coverage for service in Canada was reached as a matter of public policy.

(3) It was felt that the increased use of the airplane presented problems not present in the last war and that Canada's contribution might at this time be very largely through the air force. It was also felt that certain training would be done through civilian clubs and that many applicants accordingly would be subject to aviation hazards though still civilians. Accordingly a special provision was made for civilian aviation hazards.

Public Policy

(4) While it was felt the cost of war coverage was difficult to determine especially in the present situation as conditions differed greatly from last time, it was decided as a matter of public policy that complete coverage should be made available as far as possible. Accordingly, complete coverage is obtained by payment of an extra premium for all services outside Canada except aviation where it was felt losses were likely to be heavy.

(5) Civilian travel or residence abroad was felt to present considerable hazard on account of the bombing of civilian centres. Accordingly it was decided that the hazards of civilian travel or residence outside certain specified areas should be excluded for death, directly or indirectly from the war, unless extra premiums were paid.

(6) Theoretically the correct death benefit payable under an exclusion clause is the reserve or possibly cash surrender value of a policy. To give any higher return is to provide an additional benefit not provided for in the premium. It was felt, however, that as many policyholders would not understand what was meant by the reserve, the best way would be to return the premiums turned in plus 3% interest which gives an amount somewhat in excess of the reserve.

Special provisions of the war clause require payment of the extra premiums for full coverage to be made for naval or military service beyond the home area within 90 days after enlistment or 30 days after such service begins, whichever is the later date. The extra, it is specified, must be paid in the lifetime of the insured. If an extra premium is paid in installments, extra costs for more frequent collections are to be allowed for.

In this regard, however, it is provided that if death occurs before the full premium for a year has been paid, the amount due will be deducted from the proceeds of the policy.

Aviation Coverage

Full coverage is made possible during aviation training or other aviation within the limited area.

It is also provided that the extra premium to cover death due directly or indirectly to war under the civilian travel and residence section must be paid on or before departure from the home area.

If one extra premium has been paid it sets the rate for extra premiums for the duration of the war on that policy even though the general rate be increased later by general decision of the company.

Reinstatement

Reinstatement of lapsed policies is allowed up to 30 days after lapse without a war clause. But long-term lapses will make the policy when reinstated subject to the insertion of the war clause.

When policies are changed involving a present or future increase in the net amount at risk, war clauses will be inserted either affecting the whole policy or the additional amount of risk involved.

Term plans have been withdrawn by some companies for the military ages and in some cases it has been decided that such term endorsements as family income will not be written.

Likewise the amount of insurance that a company will carry at its own risk has been reduced to certain maximum limits below the pre-war limits.

Conversion of term policies into level premium insurance is allowed without war restrictions where a policy was written prior to the outbreak of war and the new policy is dated back to the original issue date of the term contract, otherwise the new ordinary policy will contain the war clause.

Group Policies

New group policies are now being written with the clause that an employee's group insurance terminates when he enlists. Group policies also if converted into individual policies of level premium insurance allow the company at that time to insert a war clause.

Total disability and double indemnity clauses as a general thing in outstanding policies become inoperative if and when the insured enters war service.

East Kootenay Increases Net

From Our Own Correspondent

MONTREAL. — East Kootenay Power Co. was able to increase gross earnings and decrease operating expenses during October. As a result net earnings increased $7,111 to $34,583.

In the seven months of the current year to Oct. 31, gross earnings increased $43,899 to $360,343. Operating expenses increased only moderately, and an increase in net earnings of $34,878 to $240,429 is shown for the period.

October:	1940	1939
	$	$
Gross earnings	50,885	45,734
Operating exps.	16,302	18,262
Net earnings	34,583	27,472
Seven Mos. end. Oct. 31:		
Gross earnings	360,343	316,444
Operating exps.	119,914	110,893
Net earnings	240,429	205,551

Life Sales Aid War Financing

Premiums Ultimately Used to Buy Government Bonds Says Insurance Man

Reasons why life insurance should be bought in wartime were given at the November meeting of the Life Underwriters' Association of Toronto by J. A. McAllister, superintendent of Canadian agencies of the Sun Life Assurance Co., as follows:

1. War deaths emphasize the need of protection for the individual and his family. In the last war, life insurance sales increased in the later years of the war. The same thing was likely this time.

2. Epidemics usually follow war. Statistics show the amount of death claims arising from the influenza epidemic 1918-19 about two thirds the total insurance death claims of the whole war period. Buyers of insurance today can get insurance protection against epidemics that may occur in post-war period.

3. The Canadian war clauses are generous. They allow full protection as long as the buyer stays in Canada and does not go into the Air Force. As the companies are practically all writing the same war clause, there is no competition here.

Canadian Service

4. Soldiers should buy insurance because a standard policy issued today even with the war clause gives protection as long as they remain in Canada. The Canadian war pensions fund does not cover death of a soldier from natural causes as long as he is in Canada. Accordingly it is desirable for soldiers with dependents to have insurance protection.

5. While, under the war clause, it is necessary to pay an extra premium to get full coverage, the normal premium gives the soldier insurance after the war though when he returns he may not be insurable. After the last war about one in four of the men who came back was unable to get standard insurance. Buying insurance now is ensuring insurance for the future.

Rates May Rise

6. Premium rates may rise because interest rates are declining. Insurance companies get a large part of their income from interest on investments. Accordingly if interest rates fall companies must get their income some place else. This might mean lower dividends on participating policies and higher rates on non-par policies.

7. Insurance offers unusual security as an investment. Statistics in the United States show that only one of six investors in other form of securities was successful.

8. Selling life insurance is a patriotic job because the money paid into the companies is turned over to the Government in the purchase of Government bonds. Purchase of life insurance thus serves the dual purpose of giving the buyer protection and providing more money for the purchase of Government bonds.

While taxes were higher he added that national income also was higher and there had been created a great many new prospects and new needs.

Fire Insurance Notes

The Insurance Company of North America and its affiliated companies and Canadian employees have presented a cheque to the Canadian Red Cross for the purchase of a fully equipped ambulance to be shipped immediately to England. The Insurance Co. of North America is the oldest American stock fire and marine insurance company.

Fire and Casualty Insurance

Engineering Insurance Keeps Plant Operating

With industrial activity steadily expanding under the urge of war, businessmen are increasingly anxious that there should be no interruption of operations. Interrupted operations mean a stoppage of production and a consequent loss of profits. In the case of a war industry it puts an obstacle in the way of the country's war effort. In non-war industries it may mean the loss of markets and valuable connections.

Usually fire is thought of as the main cause of interruption in industrial plants.

But explosion of a steam boiler, or a steam pipe or breakdown of a piece of electrical equipment can be just as effective in putting a factory out of business and holding up operations.

Industrialists therefore are anxious to protect themselves against loss from this cause.

There are the two angles.

First, indemnity for losses which do occur while a plant is idle and the cost of repairing damages, and second, prevention of accident by thorough and regular inspection.

This is where engineering insurance and inspection comes into the picture. The two are closely associated because the insurance companies have found that for their own benefit it is advisable to have insured properties regularly inspected by people who know what the danger is, who can tell when a boiler or piece of machinery is in a dangerous condition and what should be done about it.

Premiums and Losses

In 1939, the last year for which statistics are available, Canadian industrialists paid $481,225 in premiums while losses were only $24,746, a loss ratio of 5.14%. In 1938 total premiums were $649,537 and losses $37,311, a loss ratio of 5.82%.

The new loss ratio compared with that in practically every other branch insurance is evidence of the importance of the inspection feature in comparison with the indemnity.

Obviously every time an explosion is prevented it means that the industrialist concerned has been saved not only financial loss of putting his plant back in shape again but it means there is no interruption to operations, no loss of markets or connections because the owner or operator cannot produce the required goods.

There are about 23 companies in Canada which write this class of insurance. These companies generally employ expert inspectors who know machinery. They are really trained engineers. In fact so marked is this feature now, that boiler insurance is sometimes described as engineering insurance.

Its growth naturally has been gradual. At first steam boiler insurance proper was the only kind sold. Then came fly-wheel insurance. In both cases it was realized that prevention was better than cure. In fly-wheel insurance especially it was found the inspection service tended to prevent other accidents to which steam engines were subject. Thus came general engine insurance. From it grew turbine insurance. Increased use of electric power naturally turned attention to electrically driven machinery. At first some difficulty was felt in building up an accident prevention service in this field because the operation of electrical machinery was somewhat different from those previously dealt with and a different type of hazard existed. It was also felt that the development of an accident prevention service was a difficult technical matter. But such a service was ultimately developed and electrical machinery was brought within the orbit of this type of insurance.

Personal Element in Ispection

With the accident prevention phase bulking as large as it does, the personal element is an important feature of the inspection service. Inspection of this kind is a part of the mechanical engineering profession. The manufacturer who employs skilled mechanics, engineers, chemists, etc., wants the inspection of his machinery to be in the hands of an expert. Accordingly the man who actually does the inspecting must be a competent engineer, expert in the detection of accident producing conditions.

Behind him is a supervising engineer, often with more experience, who is ready to supply him with advice and assistance.

These men in addition to preventing accidents often help an operator by telling him ways and means of improving the operation of his machines.

In addition, however, most policies provide indemnity for any damage which others may suffer from faulty operation of a machine or engine. Accordingly under this policy can be obtained coverage against:

Loss on the property of the insured himself

Loss from liability for damage to the property of others.

Loss from liability for personal injury.

Loss due to stoppage in operation of a plant or a machine.

It is in their work of preventing accidents and claims arising therefrom however that boiler and machinery insurance and inspection men are most proud. This they feel is the phase most valuable to the average manufacturer.

Life Insurance Notes

H. E. Lumsden, formerly branch supervisor for the Canada Life Assurance Co. at Hamilton, has been promoted to the company's home office where he will assume special duties in the Educational Department. V. H. Brown, formerly branch supervisor at Kitchener, becomes branch supervisor at Hamilton.

Mr. Lumsden is president of the Life Underwriters Association of Hamilton and a member of the company's quarter million club.

Mr. Brown is also an outstanding producer, at the time of his appointment being second among the company's field organization on the continent in the production of new life insurance.

* * *

A convention of agents and managers of the Equitable Life Insurance Co. of Canada at the company's head office at Waterloo marked the 20th anniversary of the company.

At a dinner of directors, agents and head office staff, addresses were given by R. Leighton Foster, K.C., general counsel of the Canadian Life Insurance Officers Association, and M. J. Smith, president and general manager of the Equitable Life.

Since its inception 20 years ago the company has developed assets of over $12.5 millions and insurance in force exceeds $41 millions. It reports new business in 1940 as showing gains over last year.

Famous British Writer Lauds Post Issue

The following is part of an article written by the celebrated European correspondent, G. Ward Price, for his own newspaper, the giant Daily Mail, of London. Mr. Ward Price saw much of Canada as a member of the press party which accompanied the King and Queen on their tour of this country. In a letter to the editor, Mr. Ward Price referred to The Post's special 80-page number "The Industrial Front" of Sept. 21 as "your magnificent production on the war effort of Canada," adding, "I at once set to work and wrote the enclosed article, using your war supplement as a text."

By G. WARD PRICE,
Special Writer, The Daily Mail,
London

Before me lies the best and fullest available account of Canada's war effort. Vividly told and excellently presented, the story of the mobilization of the Dominion's resources is summarized in a full-size 80-page supplement published by the leading economic newspaper in Canada, The Financial Post of Toronto. It tells of the wholesale conversion of Canada's vast resources to the service of the Empire's cause.

This survey of "Canada's Industrial Front" is the most impressive document yet produced in the war. It describes a huge industrial organism which, like some gigantic supercharger, has been added to the mechanism upon which we depend for victory.

Though still in the stage of development, Canada's war industries are making a mighty contribution to the resources of the mother country, and their ultimate potentialities are not yet in sight.

Canada is today far better equipped than in the last Great War to contribute to Britain's needs. Her output of nickel, copper, zinc and lead has reached proportions from five to twenty times greater than in 1914.

When one remembers that one of the chief factors upon which Hitler counted for victory was the expected refusal of the self-governing Dominions to stand by Great Britain, the irretrievable blunder which he made is plainly revealed by this sober and well-documented analysis of the Canadian contribution to our cause.

We in Great Britain, at present exposed day and night to the air attacks of the enemy, can find complete assurance of our final victory by looking to that vast Dominion across the ocean, where, with typical transatlantic energy, our fellow-citizens in the Empire are setting themselves to supply every kind of weapon and material that we need.

Yet the record of our use of these resources is not altogether a reassuring one.

Incredible as it may appear, it is still less than five months since Canada was called upon by the British Government to help at all. Two of the first paragraphs in The Financial Post's war supplement reveal the astonishing neglect of our Imperial resources by the British Government in power at the outset of the war.

The yield may as yet be small, but they are creating a source of supply which is capable of almost indefinite expansion. When Germany has reached the maximum of which her industry and that of her newly acquired vassal states are capable, Canada's output of war materials will still be increasing.

The war has thus brought about an immense transformation of the economic position in the Dominion. It has produced increased employment, a gigantic industrial development, and higher commodity prices, which are, however, well controlled.

Despite the heavy taxation which the citizens of Canada have to face, they may look to increased prosperity in the future as the reward of their patriotic effort.

As The Financial Post says: "The new Empire arsenal now rising so rapidly in our midst may well become one of the greatest industrial workshops in the world."

"My National Life Policy Combines Protection with Savings"
Says L. J. Ryan, President of one of Western Ontario's Leading Contracting Companies.

L. J. RYAN
President Ryan Contracting Co. Ltd., and the Ryan Fuel and Supply Co. Ltd.

Through his investment in Life Insurance, Mr. Ryan accomplishes a double objective—planned savings for future retirement, and a sense of security in the knowledge that his family's future will be well provided for, regardless of economic conditions.

Planned savings with the National Life, as the foundation for a financially independent future, has received the endorsation of many outstanding Canadian executives.

Mr. Ryan has been a National Life Policyholder since 1927.

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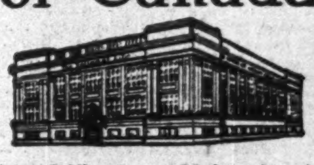
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LAST year this company's policyholders received $1,531,487 in savings under the Northwestern Mutual plan. Careful selection and inspection of risks, co-operation in fire prevention and efficient management combine to reduce overhead costs to a minimum. You, too, should be participating in these benefits.

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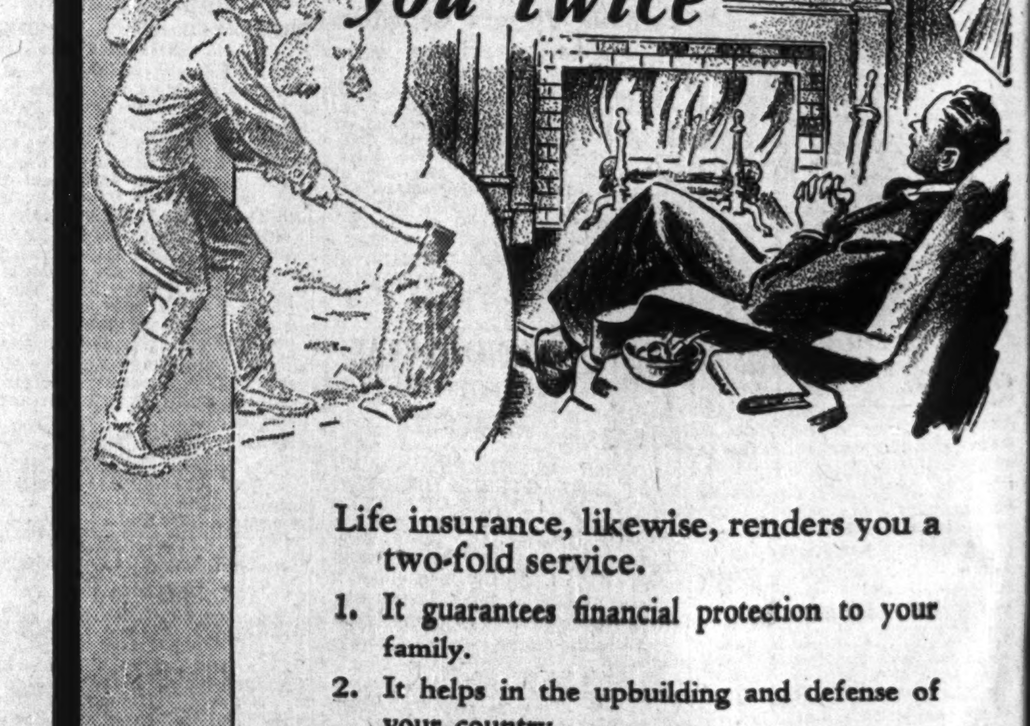
"Chop your own wood and it will warm you twice"

Life insurance, likewise, renders you a two-fold service.
1. It guarantees financial protection to your family.
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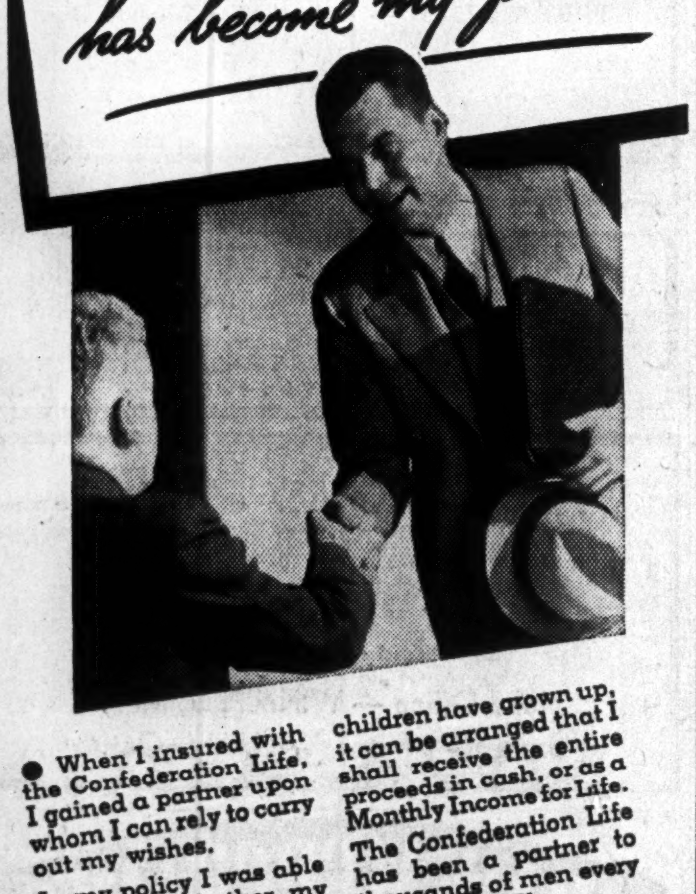
THE LONDON LIFE STORY
During the past twelve months Canadians have increased their insurance with this Company by a larger amount than for any other year in the past decade.
To help in the upbuilding and defense of our Country, the London Life has purchased more than $11,000,000 of the First and Second War Loans of the Dominion Government.

London Life
ESTABLISHED 1874
Insurance Company
Head Office - London, Canada

CONFEDERATION LIFE FOR STRENGTH, SERVICE AND SECURITY
Confederation Life
has become my partner

When I insured with the Confederation Life, I gained a partner upon whom I can rely to carry out my wishes.
In my policy I was able to specify whether my beneficiary should receive money in a lump sum, or as a monthly income, or for specific purposes. When I reach retirement age and my children have grown up, it can be arranged that I shall receive the entire proceeds in cash, or as a Monthly Income for Life.
The Confederation Life has been a partner to thousands of men every year since 1871.
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BEFORE YOU INSURE Consult
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ONE OF THE WORLD'S GREAT LIFE INSURANCE INSTITUTIONS

IMPERIAL BANK OF CANADA

66th Annual Report Reviews War Effort and Sirois Report

President, General Manager Address Meeting

The 66th Annual Meeting of Shareholders was held at the Head Office, Toronto, on November 27th. Mr. A. E. Phipps, President, addressed the Meeting.

THE PRESIDENT'S ADDRESS.

I trust that you will find the results of the year and the position of the Bank, as disclosed by the statements and which will be clearly explained to you by the General Manager, satisfactory. They are entirely so to your President and Board of Directors, indicating as they do that the growth of the business has been substantial and has enabled us to make provision for the very substantial increase in taxation imposed upon us by the necessity of war. The liquidity and strength disclosed is greater than in any previous statement.

WAR EXPENDITURE.

The war, which is now in its second year, has called for the exploitation of Canada's resources to an unprecedented degree. As one of the greatest producing countries in the British Empire we have been called upon and gladly responded to assist in the supplying of food stuffs, clothing, munitions, armaments, ships, and every kind of war material, calling for enormous expenditures in Canada by the Dominion Government and on behalf of the British Government for the purchase of these supplies and the construction and equipment of plants for their production. Up to the end of September orders placed by the Department of Munitions and Supply totalled $550 million, of this $410 million represented orders placed on Canadian account and $140 million on British account. The expenditure of $250 million for the construction and expansion of war plants was recently announced. The plant construction program comprising the erection and enlargement of more than one hundred plants is in various stages of completion. A number of plants are already in operation, a large proportion are scheduled for production in the next three months while still others will enter production in the second quarter of next year. It is estimated that the output of these plants may reach $800 million annually, a figure which might even be greatly exceeded if the war continues for a number of years. These expenditures are in addition to the cost of ordinary Government services and national public expenditures as a whole have risen to a figure far beyond any previous level. The result of all this is that general business acitvity has risen to the highest point in our economic history and has caused and is causing a tremendous boom in business of all kinds in Canada.

These expenditures also account for the heavy financing imposed upon the Dominion Government whose total expenditures for the first six months of the present fiscal year, April 1st to September 30th, amounted to $442 million, compared with $255 million in 1939. War appropriations in this period amounted to $239 million and the Minister of Finance forecast in August that the total cost of the current year's war program will amount to approximately $940 million. Dominion revenues amounted to $383 million for the six months, 1st April to 30th September, 1940, compared with $273 million in the corresponding period of 1939. This increase is largely the result of increased taxation on customs, excise and income. Apart from these increased revenues the expenditures have been partly met by two loans totalling $500 million and by increasing the issue of Dominion Treasury Bills outstanding by $75 million. In addition, I am informed that by the end of October approximately $25 million had been raised through the sale of War Savings Certificates and a further $2 million from the sale of War Savings Stamps. Both these forms of investment afford an excellent way of enabling people of small means to do their bit. The Honourable the Minister of Finance a few days ago made an address in Parliament which would indicate that he considers he has the financial situation well in hand. His principal statements, as reported, are that he does not intend to bring out a further loan until the summer of 1941; that the receipts up to the time of his speech were $145 million more than at the same date last year with the indication that the budget forecasts of revenue will prove conservative, that there are substantial accruals in the new taxes imposed on income and excess profits which will become cash in the first few months of 1941 and that the non-war expenditures were down $20 million in the first six months of the fiscal year and should be down more than that for the last half of the year as greater savings in relief and public works expenditures take effect.

EMPLOYMENT SITUATION FAVOURABLE.

The prosperity and activity brought about by such heavy spending has had its effect in many other directions. The demand for labour has increased and during the twelve months ended August there was a decline of 44 per cent in the number of employable persons on relief and it is safe to say that the employment situation has changed generally to the better in the past decade. The index of employment based on the first ten reporting dates of the year was 121 against 112 in the same period of 1939. The manufacturing index of employment this year was nearly 17 per cent higher at 128.7. Employment in building construction recorded a gain of 20 per cent and there was an increase of about 50 per cent in the working forces engaged in logging projects. The loss of efficiency due to idleness has now been largely terminated.

RAILROAD TRAFFIC UP.

The acceleration in the movement of traffic has effected a marked betterment in railway revenues. The gain in the first nine months of 1940 over the same period of the preceding year was more than 12 per cent, the total number of cars loaded having been 2,056,000. The gross revenue on the Canadian lines of the Canadian National Railway was $152.9 million against $120.4 million and the revenue of the Canadian Pacific Railway rose from $105.9 million to $122.2 million.

EXPORTS INCREASE 30%.

Canadian prosperity in the broad sense has always been dependent to a large extent on exports. The loss of export markets on the Continent of Europe has been more than offset by the expansion of exports to other countries. Exports to the Empire Countries other than the United Kingdom were $130 million in the first year of war, an increase of $28 million over the preceding twelve months. Exports to the United Kingdom increased from $341 million to $465 million and there was a marked gain in our exports to the United States where the increase was about 47 per cent from $314 million to nearly $463 million. The total value of exports (excluding gold) for the twelve months ended September was $1,161,193,000, which represents an increase of 30 per cent over the previous twelve months and brings Canada's export trade to the highest point in a decade.

Security markets reflected the uncertainties of a war period. Dominion bonds reacted sharply in the first month of war but subsequently recovered more than half of the loss. The moderate strength of high grades has been partly due to government control of foreign exchange and the sustained confidence in ultimate victory. The strength in high grade bonds is being maintained and in some instances bettered, particularly in the shorter maturities. Bond financing by governmental authorities rose to $1,047 million in the first nine months of 1940 including the $500 million for war purposes and the $75 million Dominion Treasury Bills. Corporation financing was very light, being $27 million compared with $227 million in the same period of 1939.

BANK ASSETS.

The assets of the chartered Banks reached a total of $3,728 million at the end of September, a gain of $124 million over the same period in 1939. The demand for current loans showed a decided improvement, the recent standing having been $983 million against $891 million. Deposit liabilities fluctuated considerably throughout the year, the total at the end of September being $3,203 million compared with $3,073 million shortly after the declaration of war. The active bank note circulation has risen to a high point. The total comprising notes of the Bank of Canada and the chartered Banks was $338 million against $254 million at the outbreak of war. This exceeds considerably the maximum circulation of $285 million reached during the last great war. Life Insurance Companies continue in a strong position and are providing invaluable support to the war effort. I am told the net amount of life insurance at the end of 1939 was about $6,777 million with a premium income of $198 million and that sales registered a slight gain over the previous twelve months.

ROWELL-SIROIS REPORT.

Apart from the war and its financing a subject uppermost in many minds is the consideration of the Report of the Royal Commission on Dominion-Provincial Relations. The meeting of the Premiers is being called for Ottawa next January. You all know no doubt that the plan proposed by the Sirois Commission provided that the Dominion Government would assume the whole of the Provincial, but not Municipal, debts for the Provinces with the exception of the Province of Quebec where the Provincial debt is an unusually low proportion of combined Provincial, Municipal debt and where the Dominion would assume 40 percent of the net cost of combined Provincial and Municipal debt service. The Dominion in addition would relieve the Provinces and Municipalities of the whole burden of relief for unemployed and their dependents. In exchange for this the Provinces would cease to use the following forms of taxation: the Provincial Income Tax; taxes on corporations or corporate income which would be not imposed on individuals or partnerships; and succession duties. The Provinces would also surrender all existing subsidies but would retain all remaining sources of revenue now available to the Provinces. Further compensation for revenue to which the Provinces may be found entitled would be made up in the first place by a National Adjustment Grant which would be permanent and irreducible although it could be increased from time to time as necessity arose. In cases where abnormally bad conditions prevailed in a Province this may be supplemented by an Emergency Grant for a year at a time.

Further borrowings by the Provinces, if such borrowings are approved by the Dominion, would be the credit of the Dominion the same as existing borrowings but if the borrowing was made without the approval of the Dominion it would be made on the credit of the Province alone and serviced out of purely Provincial revenues. There are some minor features which it is not necessary to mention here but the plan makes provision for the freedom of the Provinces to do their own taxing and manage their own affairs with the major changes above noted. The proposals, in fact, mean a complete revision of the terms of Confederation and the adoption of the plan requires the most careful consideration of all concerned. It will be noted that if it is adopted the approval of all the Provinces is required; in other words, the refusal of any one province could wreck the whole scheme. When the report first came out I was very skeptical about it being possible to bring the Provinces into unanimity but the war and the difficulties of financing consequent to the war have brought about a change and there seems to be among our Provincial legislators a growing tendency in its favor. Personally I believe that the adoption of the report would be in the best interests of the Dominion and the Provinces and regard it as a matter of enormous importance.

INDUSTRIAL ACTIVITIES.

As I believe the question of the war effort and the financing in connection therewith to be more interesting at this time I have refrained from devoting paragraphs to the results of the principal endeavours of the Dominion during the year but in a general summing up I think that it can be said that in almost all respects the results have been satisfactory and above normal. Agriculture, both in the raising of field crops and the animal branch, has been on an increasing scale with good results in both branches, the animal branch having been largely stimulated by the sales of bacon to England. The demand for lumber and forest products has improved, as has the position of the industry generally. The fisheries and kindred industries have also been productive. As I have already intimated, manufacturing is booming—there is no other word for it—while the construction industry has not known such activity for over a quarter of a century. A great deal of the activity in construction, as you are no doubt aware, has been brought about by the Empire Air Training Scheme which it is expected will be of monumental assistance in hastening the winning of the war as soon as the completion of trained airmen is sufficiently advanced to insure a continuous supply going overseas. The immediate influence of the Training Scheme has had a beneficial effect on the communities where the various airports and schools are being constructed and which has brought, temporarily at least, new life to a number of towns and districts throughout Canada. Mining activity has also been fully up to previous years, new properties are coming into production continuously and producing mines are adding their names to the list of dividend payers. This, of course, refers to precious metal mining but the production of practically all minerals has operated at a new high level during the first year of war.

THE WAR WILL BE WON.

The war drags on. It is a different war to the last one or to any previous war inasmuch as it is a war of ruthless destruction instead of fighting as has been known heretofore. The destruction of property, ships and their cargoes, and of all things of value are making increasing demands for money for replacements and to make up losses, and while the amounts we are being called upon to provide for taxes, war loans, Savings Certificates and what not are in the minds of many being looked upon as almost a hardship already, yet for the reasons I may have given above we must expect greater sacrifices and heavier payments out of our personal and national incomes. The war must be won and it will be won. Personally I believe the danger has passed the peak but as long as there are so many millions of men under arms and such a vast amount of war material in active operation it is going to take a long time to bring about complete victory and the war may easily go on for a considerable period of time. The statement you have before you indicates that the management are well apprised of this and have the Bank in the best condition possible for assisting in the provision of funds for the prosecution of the war and for carrying on its general business at the same time. Apart from the war the outlook of the Bank and its business is very satisfactory indeed.

MR. H. T. JAFFRAY,
General Manager.

When it was my privilege to address you a year ago in connection with the Bank's affairs Canada had been at War for something less than three months. During the year just ended your Directors and the Management have felt that it was essential to keep the affairs of the Bank in a very liquid condition, not only in the interests of its shareholders and depositors, but, in order that it should be ready to meet any calls that might be made upon it in connection with Canada's War Effort. As we examine the Balance Sheet I think you will agree that the policy we decided upon has been carried out, but it did not lend itself to substantially increased earnings, and I am glad, therefore, to be able to report that after payment of taxes of $487,882.90 an increase as compared with a year ago of $162,000, and after payment of the usual contributions to the Pension and Guarantee Funds amounting to $101,583.98 and after full provision for bad and doubtful debts, Net Profits were $961,017.67—an amount only $5,240.86 less than a year ago. From these Profits the usual Dividend of $10 a share, amounting to $700,000 has been paid, $150,000 has been written off Bank Premises and $100,000 transferred to Reserve for contingencies,—leaving a balance of $11,017.67 carried forward, and making the total of our Profit and Loss Account $676,651.71 as compared with $665,634.04 on the 31st October, 1939. We consider the showing not unsatisfactory and hope that you agree.

LIABILITIES

Turning to the Balance Sheet and taking the liabilities in order—Notes in Circulation amounted to $4,980,000, a decrease of $327,000 as compared with October 31, 1939. The limit of our Circulation is now fixed at $5,250,000 and this limit will be reduced to $4,550,000 on the 1st of January, next.

DEPOSITS

Deposits by the Dominion of Canada, by Provincial Governments and by the public now total $165,453,751 as compared with $161,570,752 a year ago—an increase of $3,882,999 and marking an all time high in the history of the Bank. Deposits by the Dominion of Canada at $11,998,310 show a reduction of $8,000. Deposits by Provincial Governments at $11,740,383 show an increase of $1,413,000. Deposits by the public not bearing interest at $49,262,273 show an increase of $9,478,000 which appears to be attributable to increased business activity. Deposits by the public bearing interest at $92,452,784 show a decrease of $7,000,000 and this decrease is directly traceable to withdrawals for the Second Dominion War Loan only 30 days before the end of the Bank's year. Deposits by and balances due to other Chartered Banks in Canada and Banks and Banking Correspondents abroad total $2,953,586 a reduction of $934,179 as compared with last year.

These figures make a total of liabilities to the public of $173,387,338 as compared with $170,766,033 a year ago—an increase of $2,621,000. Acceptances and Letters of Credit outstanding also show a substantial increase at $2,251,575, compared with $1,351,636 on October 31, 1939—a further reflection of increased business activity.

ASSETS

Turning to the Assets—our Cash Holdings,—including notes of and deposits with the Bank of Canada, balances due from other Banks in Canada and abroad, and cheques on other Banks—total $32,433,660, compared with $26,485,861 an increase of $5,947,799 and amount to 18.7% of our total liabilities to the public, as compared with 15.5% a year ago.

Total Dominion and Provincial Securities maturing within the next two years amount to $37,862,270, as compared with $26,128,054 last year and coupled with our Cash Reserves represent a total of 40.5% of public liabilities, compared with 30.8% last year, and in keeping with our policy of maintaining the Bank in a strong liquid position referred to at the commencement of my remarks.

Other Dominion and Provincial Government Securities not exceeding market value total $28,941,310, a reduction from $43,848,782, representing to the extent of approximately $11,750,000 a switch to shorter date securities. Of these longer dated securities over 50% mature in the period between three and five years, leaving something less than $15,000,000 out of our total holdings of over $66,000,000 of Dominion and Provincial Bonds maturing more than five years hence.

Canadian Municipal Securities and other Bonds, Debentures and Stocks not exceeding market value total $5,715,784, compared with $6,232,461 a year ago, and of these holdings approximately 50% also mature within the next five years. This makes our readily realizable assets just over 60% of our total liabilities to the public, practically the same as they were last year.

Call and Short Loans in Canada amounting to $3,588,189 again shows a reduction this year of $1,611,835 directly attributable to the inactivity of our security markets.

Loans to Provincial Governments at $487,501 show a reduction of $100,427, and Loans to Cities, Towns, Municipalities and School Districts at $5,857,900, a reduction of $1,535,883, the result of somewhat easier financing on the part of many of our Municipalities.

Current Loans and Discounts in Canada now total $67,878,158, an increase over a year ago of $3,797,000. During the year a number of former substantial borrowers have largely liquidated their loans for the time being, and I think the showing of an increase of the above amount in our total is not unsatisfactory.

BANK PREMISES

During the year new premises were erected at Hearst and McKenzie Island, Ontario, and a new building is under erection in Toronto at Silverthorn and Rogers Road. You will note from our Profit and Loss Account that $150,000 was written off for depreciation of Bank Premises, and the total now stands at $5,743,114, a reduction of $107,000 as compared with a year ago.

The remaining items in the Balance Sheet, namely, Non-Current Loans, Real Estate other than Bank Premises, Mortgages on Real Estate Sold and Other Assets are all carried at conservative valuations and the total shows a reduction of some $67,000 during the year. They call for no special comment.

As the War progresses towards final victory it is to be expected that calls of one kind or another will be made on the Banks in financing War industrial activities, and perhaps to some extent in Government financing. It has been the aim of the management to keep the affairs of the bank in such shape that we can do our part in any special calls made upon us without interfering with our regular customers and without lessening our ability to take on any new desirable business that may offer. I think after a perusal of the various items making up our Balance Sheet you will agree that this is the position today.

BRANCHES

During the year branches of the Bank were opened at West Vancouver, B.C., and at McKenzie Island (sub to Red Lake), Ontario. No branches were closed, and the total now number 195.

SHAREHOLDERS

Shareholders of the Bank as on September 30, 1940, numbered 2,710—a decrease of one during the year, the average holding being approximately 25 shares; 6,651 of our shares are held by residents of the United States — an increase of 16 during the year. They are distributed among 311 shareholders.

STAFF

The Staff of the Bank as on October 31, 1940, totalled 1,481 as compared with 1,417 a year ago. These figures do not include 114 members absent on active service, all of whom have been granted leave of absence for the duration of the War. This represents 9.5% of our male Staff at the outbreak of the War. The Bank in these cases is paying their contributions as well as the Bank's own contribution to the Pension Fund and has continued their Group Insuranee in force. I am sure this policy will meet with your approval and we hope that they will all return to the Service. I might further state that our present Staff includes 96 temporary appointments, mostly young ladies, for the duration of the War, they, of course, do not enter into the Pension Fund or the Group Insurance scheme. You will readily understand that this switching of Staff has thrown heavy responsibilities on those remaining, and I wish to again take the opportunity of recording my appreciation of the manner in which every member has worked during the year in the interests of the Bank.

As is customary, reports on business conditions have been received from all branches of the Bank. Almost without exception they show increased business activity and lessened unemployment. Crops have been bountiful, and although the fruit crops of Ontario show a somewhat smaller volume an improvement in prices has largely made up for this. In the West the Wheat Crop was the largest since 1928, and only a few million bushels less than the all time high of that year, and while the progress may appear to be slow, headway is being made by our farmers. They cannot yet be said to be prosperous, but a great many are steadily improving their positions.

One feature which seems to be noticeable in the present War experiences is the avoidance of extravagances by individuals such as we witnessed during the last war. The Government is giving every encouragement to thrift and to saving through the issue of War Savings Certificates and War Savings Stamps. I cannot too strongly endorse the policy as being not only in the interests of the country but of each individual citizen.

It is again my privilege to express my appreciation of the support and assistance that the Management have received during the past year from your President. His sound judgment and long experience make his advice invaluable and he is always available. Also, I would like to again express my appreciation of the consistent help that has been accorded the Management by the Chairman of the Board, the Vice-Presidents and each member of the Board of Directors.

The following were elected Directors—Messrs. Frank A. Rolph, A. E. Phipps, Col. J. F. Michie, R. S. Waldie, G. C. Heintzman, J. W. Hobbs, Walter C. Laidlaw, John A. Northway; G. H. Aikins, K.C., Winnipeg; H. E. Sellers, Winnipeg; R. O. McCulloch, Galt; W. B. Woods, Arthur L. Bishop; E. E. Buckerfield, Vancouver; C. G. Cockshutt.

A subsequent meeting of the Directors elected: Mr. Frank A. Rolph, Chairman of the Board; Mr. A. E. Phipps, President, Col. F. J. Michie and Mr. R. S. Waldie, Vice-Presidents.

Banking

Are U. S. Entertainers Dispensable Imports?

Correspondent of The Financial Post Wonders Whether Saving of Exchange Should be Effected First by Restricting Purchases of Citrus Fruits or Entertainment

Which is more important to the civilian population of Canada in wartime, the vitamins contained in oranges, lemons and grapefruit, or special types of American music and entertainment provided by United States musicians, boxers, wrestlers, etc.?

A subscriber to The Financial Post raises the question, in consequence of the suggestion that to conserve U. S. exchange for war purchases, imports of citrus fruits may be curtailed.

There can be no quarrel he says with the statement in a recent letter in the Whaley Eaton News Service that "What (U. S.) dollars Canada does have will go into American munitions and not into non-essentials." But, he says, if any American dollars remain after paying for war needs, "common sense dictates that the more important civilian wants should be satisfied before those of lesser importance." Accordingly he wonders which are more important, citrus fruit vitamins or entertainment from the United States.

Welcome As Tourists

He advocates that entertainers of any type from the United States whether musicians, actors, wrestlers or boxers, etc., should be welcomed as tourists. But that if they take money out of the country their services represent an import which could be dispensed with.

If they care to invest their earnings in this country, well and good.

Under present conditions American entertainers, musicians, boxers, wrestlers etc. are visiting Canada regularly.

The services of these men and women are regarded as imports just like material goods. Accordingly foreign exchange is made available for paying them. But the entertainer must, for instance, pay his expenses in Canada out of the money he receives or else bring up U. S. dollars for the purpose.

Pay National Defense Tax

He must also pay any taxes to which such payment is liable, including the National Defense Tax which is levied on all incomes derived in Canada exceeding the exemptions at the rate of $600 for a full year in the case of a single person and $1,200 in the case of a married one.

The promoters of the various entertainments, it is understood, in cooperation with the Foreign Exchange Control Board have established a procedure to protect the interests of the Board.

One of the measures is to hold back 15% of the pay due an entertainer to ensure that all Canadian obligations have been met.

Weekly Statement Bank of Canada

Total investments of the Bank of Canada reported at $573.5 millions in the statement for the week ended Nov. 20 were $2.2 millions lower, the decline being entirely in long term government bonds, holdings of short terms being slightly higher. Other assets were down $3.3 millions.

Balance Sheet

	Nov. 20 1940 $	Nov. 13 1940 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	335,071,427	334,745,499
Rest fund	2,449,757	2,449,757
Depos.: Dominion	80,215,120	67,648,534
Bank	206,802,320	221,511,563
Other	10,351,834	12,383,318
Total deposits	297,369,274	302,543,415
All other liabs.	6,543,084	7,125,366
Total liabs.	646,433,542	651,864,037
Assets		
Reserve:		
In sterl. & U. S.	65,175,657	65,175,657
Subsidiary coin	627,851	631,449
Investments:		
Dom. Gov. short	433,520,429	432,083,095
Other Dom. Gov.	139,981,845	143,618,827
Total invest.	573,502,274	575,701,922
Premises	1,734,299	1,734,291
All other assets	5,393,461	8,620,718
	646,433,542	651,864,037

Beauharnois Stock Traded on Curb

From Our Own Correspondent

MONTREAL. — Montreal Curb Market has called for trading on a "when, as and if issued" basis, common stock of Beauharnois Light, Heat and Power Co.

The 715,779 no par value common shares of Beauharnois Light, Heat and Power are being exchanged for the 1,431,557 shares of Beauharnois Power Corp., now outstanding, on the basis of one share for each two shares held.

Larger Profits For Commerce

Current Loans Rise While Investments Fall —Taxes Rise

Higher current loans, increased earnings, lower investments and a decline in savings deposits are features of the annual statement of the Canadian Bank of Commerce for the year ended Oct. 31.

Net profits for the year after providing $1.5 millions for Dominion and provincial taxes were over $3 millions or about $68,000 higher than a year ago. On a per-share basis, after deducting the amount written off bank premises which was $100,000 higher this year, the profits equalled $8.85 a share compared with $8.[illegible] the previous year.

Dominion and provincial taxes took $1.5 million compared with $988,422 a year ago.

Balance Forward

After deducting $253,831 for pension fund and $2.4 millions for dividends, a surplus for the year of $2,204 is shown compared with $31,720 in the previous year. This added to the amount brought forward from 1939 makes a total balance carried forward in the profit and loss account of $785,000.

In the balance sheet quick assets totalled $395.9 millions, about 60% of total liabilities to the public. Cash and cash items of $119 millions were about 18% of liabilities to the public.

Investments were down about $43 millions to $258 millions reflecting the greater use of the bank's funds in loans consequent on the quickening of business due to the war.

More Borrowing by Business

Stronger demand for credit was reflected in the increase of $18 millions in current loans in Canada. But current loans outside Canada were down $5.3 millions.

Reflecting the general shrinkage in stock market operations at home and elsewhere, call loans were down about $3 millions in Canada and $2.6 millions elsewhere.

Subscription by the bank's depositors to the second war loan is reflected in decrease of $25.9 millions in public savings deposits. Reduction in large temporary loans the Dominion Government obtained from the banks a year ago was also a factor.

Important items in the profit and loss statement and the balance sheet follow:

Profit and Loss Statement Years Ended Oct. 31

	1940 $	1939 $
Net profit†	3,006,035	2,938,105
Dividends	2,400,000	2,400,000
Pension fund	253,831	256,385
W/o bank premises	350,000	250,000
Balances forward	2,204	31,720
Prev. balance	782,801	731,082
Total forward	785,005	782,801
Earnings per share*	$8.85	$8.[illegible]

†After deducting Dominion and provincial taxes of $1,525,018 in 1940 and $988,422 in 1939 (including tax on note circulation in both cases) and after making provision for bad and doubtful debts.

*After deducting amount written off premises.

Balance Sheet As at Oct. 31

	1940 $	1939 $
Assets		
Cash	119,121,839	125,829,045
Investments	258,287,000	301,838,750
Call loans, Canada	9,766,562	12,685,597
Call loans ex. Can.	7,959,452	10,435,834
Dep. for note issue	847,000	907,000
Total quick assets	395,932,938	451,696,229
Current loans Can.	219,947,386	201,774,851
Curr. loans ex. Can.	17,211,185	22,591,279
Prov. loans	9,891,846	8,206,041
Mun. loans	17,130,421	20,480,045
Letters of credit	20,842,612	15,607,861
Bank premises	14,203,007	14,521,215
Other assets	9,321,052	11,680,222
Total	704,480,453	745,650,744
Liabilities		
Note circulation	17,160,798	15,928,954
Dom. Govt. dep.	28,766,583	50,990,218
Prov. govt. dep.	17,327,730	13,876,053
Demand deposits	210,553,462	211,280,324
Savings deposits	348,604,722	374,553,176
Due other banks, Canada	941,200	870,907
Due foreign banks	8,880,419	11,137,746
Total deposits	615,074,119	662,708,426
Bills payable	....	10,401
Letters of credit	20,842,612	15,607,861
Total public liabs.	653,077,531	694,255,644
Div. unpaid	17,917	12,298
Div. payable	600,000	600,000
Cap. res., etc.	50,785,004	50,782,801

Nfld. Unemployment Shows Sharp Drop

Unemployment relief in Newfoundland during October reflected the higher tempo of activity on the Island. There were 19,298 persons receiving relief in the past month, against 29,665 in the same month last year.

Bank Chat

Opening of two new branches of the Canadian chartered banks and closing of three is reported in the Bank Directory of Canada for November.

Branches opened were Bank of Montreal in the Sun Life Building, Montreal, and the Royal Bank of Canada at St. Paul l'Ermite, Que. Branches closed were Bank of Montreal at Camp Shilo, Man., Bank of Montreal, Riverbend sub-branch, at St. Joseph d'Alma, Que., Canadian Bank of Commerce, North End branch, Lethbridge, Alta.

* * *

Barclays Bank (Canada) last July inaugurated a staff pension fund, H. A. Stevenson vice-president and general manager stated at the annual meeting. The capital for this fund he said was donated by the bank. He also said that under present arrangements the bank makes good to those who join the armed forces any difference between their service pay and their bank salaries.

* * *

Reports of Canadian chartered banks issued so far this year show a number of features in common reflecting changes in the Canadian economy brought by the war. Current loans for instance are higher in consequence of increased business activity requiring more credit. Savings deposits are lower in consequence of subscription by depositors to the two war loans. Taxes have increased enormously.

This latter is the most striking change of all. On a percentage basis the provision for the Dominion and provincial taxes in the case of the four banks which have issued earnings statements so far rose as follows: Montreal 61%, Commerce 54%, Imperial 50% and Dominion 64%.

Weekly Bank Clearings

	Nov. 21 1940 $	Change Year Ago %	Nov. 14 1940 $
Halifax	3,827,677	+18.9	2,746,352
Saint John	2,165,020	+8.6	2,111,400
Moncton	1,058,076	+20.7	750,483
Sherbrooke	913,594	+26.4	817,098
Quebec	6,172,629	+24.7	4,354,986
Montreal	117,399,902	+13.2	80,192,379
Ottawa	40,461,980	+75.0	29,289,552
Kingston	708,895	+12.1	624,607
Peterborough	666,191	+16.5	551,466
Toronto	128,189,501	+17.2	99,513,674
Hamilton	6,916,649	+8.4	5,063,965
Kitchener	1,187,900	+5.0	1,060,501
Brantford	993,276	+9.6	791,341
London	3,079,180	+17.9	2,303,743
Chatham	782,781	+0.5	612,886
Windsor	3,540,724	+25.7	3,180,892
Sarnia	558,333	—1.6	419,161
Sudbury	989,388	+2.3	1,129,285
Fort William	863,642	+7.7	719,712
Winnipeg	50,934,141	—19.4	43,014,188
Brandon	447,600	+28.7	359,498
Moose Jaw	826,114	+15.1	585,345
Regina	5,708,089	+7.8	5,548,601
Saskatoon	1,823,274	+2.2	1,407,267
Prince Albert	451,474	+3.9	396,873
Edmonton	5,216,670	+6.0	4,043,195
Lethbridge	718,123	+20.0	1,017,194
Medicine Hat	386,358	+24.7	375,097
N. W'minster	721,872	+24.1	634,686
Vancouver	18,872,549	+5.3	14,540,199
Victoria	1,958,718	+2.7	1,520,287
Calgary	6,898,935	—3.8	6,273,689

Recommend Wages Be Stabilized

Conciliation Board Sees Danger to War Effort In Labor Situation

From Our Own Correspondent

MONTREAL.—Advocating a strict stabilization of wages, the report of the board of conciliation, investigating a dispute between Canadian Vickers Ltd. and its employees, warns that Canada's whole industrial war effort is in danger unless immediate steps are taken to enforce such measures. The report states:

"In the absence of such stabilization all along the front of our war effort, boards of conciliation are like stopping with one's finger one hole in a crumbling dyke."

The board was appointed under the Industrial Investigation Act to investigate difference between the company and its machinists, fitters and millwrights in the industrial engineering department.

The board sees its recommendations as fruitless if competition for skilled labor persists in the country.

Outdistance Living Costs

Wages can be stabilized in the same manner as rent and commodity prices. If they are not, the report says, commodity prices will become unmanageable despite strict regulation. Wages have been increasing in recent months because of competition and at the moment have outdistanced living costs, the report states.

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Week in Mining

Revival of Prospecting Seen Likely in 1941

Most Developing Mines Now In Production Forcing People Engaged In Mining Finance Into Earlier Stages of Exploration

A revival of prospecting activity in 1941 is now considered likely by people who follow closely trends in the mining industry. Several reasons are being advanced which seem to bear out this thesis. One reason is that a large part of the better mining propositions have now been financed through to production and mining capital must look into the earlier and more speculative stages of the mining game to remain active.

With prospecting results in 1940 distinctly encouraging in spite of the limited work carried out, new vistas have been opened up for prospecting. A search for both gold and war metal deposits is now also extremely important to Canada's war effort and mining companies are endeavoring to co-operate in this search. The budget continues to exempt new gold mines from taxation for three years, making prospecting more attractive to financing interests than would otherwise be the case.

Gold Output Down

One of the few declines in monthly gold production this year is reported for the Dominion in September. Output for the month totalled 440,450 ounces valued at $16,957,325 compared with 466,223 ounces worth $17,849,585 in the previous month.

In the corresponding month of 1939, 422,392 ounces of gold valued at $15,716,362 were recovered or with output running considerably under the level of this year. For the nine months ended Sept. 30, production has totalled 3,935,341 ounces valued at $151,510,628 as against 3,801,797 ounces and $134,428,588 in 1939. Gold was selling at $35 an ounce for most of the period in 1939 while $38.50 an ounce has been received so far in 1940.

* * *

New War Metal

Canada has added antimony to the list of the war metals now being produced. Pioneer Gold Mines made its first shipment of the brittle metallic ore from its property in the Fort St. James area of British Columbia earlier this month and shipments are now expected to go forward regularly.

Development of the new producing property was undertaken by Pioneer Gold Mines only last spring. Earlier this year, Consolidated Smelters commenced production of mercury so that British Columbia has added production of at least two more of the strategic war metals so far this year.

* * *

Bottleneck Solved?

Other war metals have been in the spotlight recently. One which has been attracting particular attention is beryllium, obtained from the ore beryl found in Canada, but which is not being mined on any scale.

According to a recent broadcast by Fulton Lewis, Jr., over Station WOL, Washington, the metal beryllium may prove the solution to the problem of the "bottleneck" in the machine tool industry. By itself, beryllium is practically useless. As an alloy of 98% copper and 2% beryllium, however, it changes the character of the copper giving it a tremendous resistance to fatigue, and what is now perhaps most important of all, imparting "surface tension" in the molten stage.

Because of "surface tension," beryllium copper makes a perfect casting. Knowing this, the United States army not long ago was able to replace a certain part which required many hours of precision machine tool work, by a beryllium-copper casting without the casting even having to be sanded.

Further testing is still being done but it appears quite possible that beryllium-copper may assume added importance. So accurate a casting does it make, that it will even take a polish similar to that on the inside of the mold.

* * *

Copper Shortage?

If anything is needed to prove the scope of the British armament buying, it is given by recent reports from Washington. President Roosevelt has now before him a recommendation that exports of copper and finished steel be placed under a system of licensing or limited embargo.

Reason for the recommendation is the heavy British armament demand, actual and prospective, which is expected to strain American supplies along with orders for the United States armament programme. All elements within the administration at Washington do not agree on the disposition of the new recommendations, it is stated, but the consensus seems to be that President Roosevelt will adopt them at some future date.

* * *

Freeze-up On

Very little information is coming out from outlying mining areas at the present time as the annual freeze-up is on, grounding planes. Ice isn't thick enough to bear the weight of loaded planes yet.

While the freeze-up is under way, information often accumulates in the areas served by plane and bursts out when plane service resumes. No information has come out from the Red Lake area or from the Uchi Lake area since early this month, for instance.

Mining Concentrates

B. R. X. (1935) Consolidated Mines reports that no work has been carried on at the property since September, 1939. Arrangements are being made for sale of equipment to pay off a bank loan of $25,000 and other indebtedness.

* * *

Bala Manganese reports that development work has been started at its properties at Markhamville, N.B.

* * *

Consolidated Smelters has declared an extra dividend of 75 cents a share payable Dec. 31, 1940, to shareholders of record Nov. 30, along with the regular half-yearly dividend of 50 cents a share. This makes a total distribution of $2.25 a share for 1940 compared with $2 a share for last year.

* * *

Chesterville Larder Lake Gold Mining Co. set a new record for monthly production in October:

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
October	21,723	701	6.27	136,282
September	20,879	696	5.67	118,440

* * *

De Santis Porcupine Mines showed a substantial increase in its production in October:

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
October	4,822	156	8.65	41,727
September	4,945	165	5.08	25,131

* * *

Delnaur Gold Mines is stated to have started diamond drilling on its property adjoining Delnite Mines and Aunor Gold Mines. The first hole is to be put down to a depth of 1,000 ft.

* * *

Gold Belt Mining Co. has declared a dividend of 2 cents a share payable Dec. 16 to shareholders of record Nov. 30. The company's first dividend of 2 cents a share was paid on June 29.

* * *

Howey Gold Mines has declared a dividend of 3 cents a share payable Dec. 31 to shareholders of record Nov. 30. This brings dividends for 1940 to 5 cents a share, the same amount as was distributed last year.

* * *

Hudson Bay Mining and Smelting Co. has declared a dividend of $1 a share payable Dec. 16, 1940, to shareholders of record Dec. 3. A dividend of the same amount was paid the first half of this year.

* * *

Lake Shore Mines has declared a dividend of 50 cents a share payable Dec. 14 to shareholders of record Nov. 30.

* * *

Little Long Lac Gold Mines has declared a dividend of 10 cents a share, payable Dec. 21, 1940, to shareholders of record Dec. 7. Two similar dividends were paid earlier this year.

* * *

Magnet Consolidated Mines has declared a dividend of 5 cents a share payable Dec. 8, 1940, to shareholders of record Nov. 25. An initial distribution of similar amount was made May 15.

* * *

Naybob Gold Mines has authorized a general expansion programme. Plans call for deepening the shaft to a depth of 1,500 ft. and enlarging the mill from 150 to 400 tons daily. This programme is not expected to affect the company's cash position of approximately $225,000. The main shaft is to be completed with three-compartment size to the 1,500-ft. horizon. A sinking hoist has been installed at the 850-ft. level.

* * *

Pickle Crow Gold Mines has declared it quarterly dividend of 10 cents a share payable Dec. 31, to shareholders of record Dec. 16.

* * *

Perron Gold Mines has declared an extra dividend of 1 cent a share payable along with the regular quarterly dividend of 4 cents a share on Dec. 21, 1940, to shareholders of record Dec. 1.

* * *

Placer Development re-elected all its officers and directors at its annual meeting held in Vancouver recently. H. A. Gould, secretary, presided in the absence of Chas. A. Banks, the managing director, at present in England on war service.

* * *

Red Crest Gold Mines remained closed down in the year ended Oct. 31, 1940, A. A. McKelvie, president, states in the company's annual report. Balance sheet as at Oct. 31, 1940, shows cash of $79 on hand. Current liabilities of $13,056 included a loan of $10,900 from Kirkland-Hudson Bay Gold Mines. A balance of $20,000 due on property payments has been deferred.

* * *

Red Lake Tiger Gold Mines is making application for the surrender of its charter.

* * *

San Antonio Gold Mines has ordered additional equipment to bring its milling rate up to 550 tons daily.

SEEK TUNGSTEN

Mining men in the Portland Canal area are interested in the possibilities of developing tungsten in the old Riverside mine, explored during the past summer by J. H. Scott of San Francisco. The Riverside was a former producer of lead which was acquired by Scott about a year ago.

National West Ore Runs 60 ft. Wide

Muck Samples For the 60-ft. Crosscut Width Average $6.89

Further confirmation of the great width of the National Malartic Gold Mines west ore body, now being developed, is given by the 2-9 north crosscut which has now been completed at the 350-ft. level showing the ore to be 60 ft. wide. Full wall sampling of the crosscut has not yet been completed but muck samples for the entire 60 ft. averaged $6.89 per ton.

Following completion of this crosscut, two new crosscuts are planned at intervals of approximately 50 ft. toward the west where drifting has been continuing in ore. So far the 100 ft. of drifting in the west ore body has given an average of $8.52 over 6.8 ft. with the true width to be determined by the crosscuts.

Face in Porphyry

The next to last face assayed was cut from $11.95 to $8.87 per ton. While the last face assayed ran only $1.89 per ton over 7.5 ft., the next face showed reddish porphyry with considerable quartz which is stated to be usually ore bearing.

Final assays for the 2-7-A crosscut north—the one to the east of the 2-9 north crosscut—showed an average of $5.03 over 45.6 ft. from both walls with muck for this distance running $5.82 per ton.

Lapa Cadillac Puts Out North Drive

Will Test Drilling Results Secured in New North Zone

A new drive has been started to the north at the second level of Lapa Cadillac Gold Mines to determine the importance of results secured in a number of drill holes.

The drive will have about 450 ft. to go to reach its objective, following which it is expected drifts will be carried along the zone in both directions although not necessarily simultaneously.

Best Values to East

The best values secured in drilling were several hundred feet to the east of where the crosscut is expected to strike the zone. One hole showed 0.14 oz. gold over 16 ft. while a second hole 150 ft. farther on gave 20 ft. averaging 0.16 oz. and a second section of 5.7 ft. running 0.216 oz. which did not show up in other holes. A hole farther to the east drilled north showed good formation but low values and it is not known if it is the same zone.

Drilling of the west section of the new area showed a 20-ft. wide zone in two holes with a certain amount of tourmaline and quartz which the management considers interesting. Values were low but conditions are felt to justify exploration.

Porcupine Success Spurs New Financing Efforts

With Porcupine adding a considerable number of new dividend payers to its ranks this year and several properties reporting interesting new results, many financing deals are now under negotiation throughout the entire area.

Following recent success of Preston East Dome Mines in locating great widths of ore at depth, interest has revived in surrounding properties.

Cincinnati Deal?

Cincinnati Porcupine Mines is understood to be now carrying on negotiations which may result in development of this property. No details of the proposed deal have yet been released, however. The property adjoins Dome to the south and is immediately east of Preston East Dome.

South of Preston East Dome, Presdor Porcupine Gold Mines is stated to have negotiations for financing in hand although no actual agreement has yet been signed. Officials state that Preston East Dome Mines does not figure in the negotiations, contrary to reports current in Toronto financial circles.

Delnaur Mines, located south of Delnite and Aunor, has drilling operations under way following recent financing. To the west of Delnite, Skynner Lake Gold Mines plans to have drilling in progress by January with arrangements now being completed for a new core house. Skynner Lake, along with other interests, holds control of Dictore Gold Mines which is reported to have the extension of the Faymar zone.

Northeast Porcupine

In the northeastern sector of Porcupine, results obtained in diamond drilling at Bonetal Gold Mines are resulting in a reappraisal of properties lying to the west. One immediately adjoining Bonetal is stated to have been sold recently with an option granted on another property to the north of the one sold. Further west, there are reports that Hugh Pam Porcupine Mines may be given a further drill test in the not distant future. Far to the northeast a new deal is stated to be in the making for Aquarius Porcupine.

Federated Pete. Shares Drilling

Participates With B. A. and Brown Oil in New Programme

In order to assist Canada in securing a greater production of oil during wartime, Federated Petroleums will share in the development of 660 acres of oil lands on the central west flank of Turner Valley, President R. A. Brown states in a letter to shareholders.

Two wells, Arrow No. 1 and Arrow No. 2, have recently been completed in the area and many wells are stated to be drilling in the locality. The company's new interest will take the form of shares both acquired directly and through subsidiaries.

Two Wells At Once

Plans call for the drilling of two wells immediately and a third well at an early date. From the geology of Turner Valley, it is stated likely that there are at least 10 40-acre locations which can be drilled without encountering the oil-water level in the limestone. It is hoped that a steady drilling programme can be maintained so that the land will be "drilled out" in the next two or three years.

Earlier this year the company purchased 95,500 shares of Four Star Petroleums, 100,666 shares of Royal Crest Petroleums, 127,499 shares of Three Point Petroleums and 249,900 shares of Vulcan-Brown Petroleums, at a cost of $85,207. In order to make these purchases, $75,000 was borrowed from the bank.

Because of cash requirements for participation in drilling and bank indebtedness, the usual dividend of 1½ cents per share is not being paid. When the company's development programme is well under way, the directors expect to resume payment of dividends, however.

Brown Oil Plans Debenture Issue

Seek Conversion of Preference Issue to Make Way for New Drilling

Special meetings of both common and preference shareholders of Brown Oil Corp. have been called for Dec. 16 to secure approval for conversion of the company's present 6% preference issue into 4½% debentures on a par-for-par basis after a further $2.50 repayment on each preferred share.

In a report to shareholders, President R. A. Brown states there is a twofold reason for wishing to convert the preference issue into debentures. Repayment of the preference issue is at present based on the lesser of 50% of net production or 60% of net profits. The basis of 60% of net profits might bear no relationship to 50% of production the president states, prejudicing the position of preference shareholders—while from the common shareholders' viewpoint, uncertainty might have ill-effects as far as normal operations of the company were concerned.

Has Drilling Chance

The second reason for wishing the adjustment is stated to be the favorable opportunity offered to participate in drilling in central Turner Valley with British American Oil Co. and Federated Petroleums. Brown Oil Corp. plans to participate in this drilling through purchase of shares of Chinook Oils.

Debentures will be issued in denominations of $90, $450 and $900, it is expected. From Jan. 1, 1941 to Jan. 1, 1944, interest will be paid at the half yearly rate of 4½%. During this period payments of principal will be suspended. After Jan. 1, 1944, all interest and repayments of principal will be met out of a "retirement fund" equal to one half the revenue of the company and one half of the company's proportion of revenue of a subsidiary company. Revenue is defined as all money income except money received on capital account or capital profits less all administration and operating expenses, taxes, royalties, etc.

Funds paid into the "retirement fund" are to be used to pay expenses of the trustee, to pay interest on debentures outstanding, to repay $5 principal on each $90 debenture. One half of the remainder is payable the company under provisions for retirement of debentures.

Principal of debentures becomes payable in the event of default of interest or any scheduled payment.

Mid-West Metal Mining Association is Formed

Metal producing mines of Manitoba and Saskatchewan have joined together to form what is to be known as the Mid-West Metal Mining Association, The Financial Post is informed.

The purpose of the new association is "to promote and foster the interests of the mining industry and it is designed on similar lines to the Ontario Mining Association which has proved such a success since its formation in 1920."

The new association plans to be active in the field of safety promotion, accident and industrial disease prevention, in educational work and generally in matters which affect the mines. It will also form a means of co-ordination to assist and increase the war effort in which the mines are already deeply engaged.

Directors of the new association are:

D. J. KENNEDY, general manager of San Antonio Gold Mines, president.
W. A. GREEN, general manager of Hudson Bay Mining and Smelting Co., vice-president.
E. L. BROWN, Sherritt Gordon Mines.
H. R. DRUMMOND-HAY, God's Lake Gold Mines.
JAMES HOUSTON, Gunnar Gold Mines.
E. WEBER, Hudson Bay Mining and Smelting Co.

Secretary is John Dryborough.

Yama Drifts Run Richer at Depth

Drifting on the two lower levels of Yama Gold Mines the last three weeks has been in ore which surpasses any estimate for previous disclosures, according to Harold G. Way, the company's resident geologist.

Drifting results secured in this latest work at the lower levels is stated to suggest a considerable increase in the average grade per ton for the mine. The structure on the lower levels appears to be much more closely defined and it would appear that widths are slightly less but with the same amount of gold prevailing in the narrower width as developed on the 250-ft. level.

No diamond drilling has been done on the lower levels to date, however, so that statements of full width may have to be revised.

On Nov. 15, 1940, drifting on the lower levels was estimated to have opened 537 ft. of ore averaging $10.24 per ton across an average width of 3.06 ft. Taking a higher grade the ore length is estimated at 400 ft., running $13.36 per ton over 2.9 ft. If a lower grade "cut off" is used, ore lengths total 894 ft., averaging $7.12 per ton over 3.64 ft.

New Ore Opened at Gold Belt Property

From Our Own Correspondent

VANCOUVER.—Gold Belt Mines in the Sheep Creek area has been encountering considerable rich ore in an apparently large body, according to President A. E. Jukes.

The 3500 vein has been drifted on easterly on the 14 level for 178 ft. The first 76 feet were in argillite. From that point on to 134 ft., the vein averaged 2.4 ft. in width, assaying .374 ounce gold. From 134 ft. to 178 ft. the average over 4 ft. was 1.72 ounces. This gives an ore shoot of 102 ft. averaging 3.1 ft. wide, assaying 1.12 ounces.

NORGOLD NEGOTIATES

Negotiations are being carried on by Norgold Mines for an interest in a new enterprise, a non-metallic. With most of its $100,000 of liquid assets invested, the company has an income of around $10,000 per annum, it is stated.

MOOSHLA DRILLING

A small programme of diamond drilling is now being carried on by Mooshla Gold Mines with about half the footage called for under the contract completed. Values have been secured in one hole, it is stated.

B.C. Not to Build Copper Smelter

Several Mines Believed Necessary to Justify Building

From Our Own Correspondent

VANCOUVER. — The British Columbia Government does not propose to finance establishment of a copper smelter, Hon. W. J. Asselstine, minister of mines, declared.

Since the embargo on copper to Japan and other foreign countries and the necessity to ship all concentrates to the United States for treatment there has been considerable agitation here for a smelter in Canadian territory.

Mr. Asselstine believes that this is a matter for federal subsidy if any public support is necessary. Private interests, he believes, should carry the bulk of the load, and he says that it should not be forgotten that during the last four or five decades 11 base metal smelters were shut down.

Mining men contend that a smelter on the B.C. coast would have to depend on several mines, with at least one big steady producer, Britannia Mining & Smelting Co., which now ships concentrates to Tacoma, is the only one in such a category, although there are several prospects.

Granby would not be able to ship economically to a coast smelter, it is claimed. It may build one of its own.

South American G. & P. Nine Months Net Down

Estimated net income of South American Gold & Platinum Co. amounted to $276,226 for the nine months ended Sept. 30, 1940, compared with $320,120 for the corresponding period of 1939.

Based on 1,760,000 shares outstanding, earnings were equal to 15.7 cents for the first nine months of 1940 as against 18.2 cents for last year. Net income in each period is based on sales of metals and not on production.

Production for nine months of 1940 totalled 43,075 ounces of crude gold and 17,825 ounces of crude platinum both of which require refining. Corresponding figures for 1939 were 44,866 ounces of crude gold and 20,544 ounces of crude platinum. Production figures include subsidiaries.

Eastern Canada Is Active In Buying of Royalties

Originator of the "preferred" royalty, now widely used in the financing of oil wells, Clifton C. Cross, of Calgary, head of C. C. Cross & Co., was a visitor in Toronto last week. According to Mr. Cross, interest in eastern Canada in oil well drilling is at a greater peak than for some time past.

Practically every rotary rig in the prairie provinces is now at work, Mr. Cross stated, and arrangements have been made in at least one case to bring in further drilling equipment from the United States.

Shortage Possible

With a continuation of the present upward trend in drilling, it is quite possible that a shortage in drilling rigs may soon be experienced unless available equipment is increased.

Mr. Cross stated that if it were desired to step up oil production still further, it might be possible to have the Alberta Government and the original lease holder forego their royalty interest until after the royalty purchaser received his entire investment back after which their share in production might be increased as a compensation. This would safeguard the position of the royalty holder even more than with the present preferred royalty and need not work a hardship on the Alberta Government or the original leaseholder. It would result in a speeding up of drilling, Mr. Cross feels.

Week in Oils

Output at New Peak

From Our Own Correspondent

CALGARY.—Bolstered by production of nine recently completed good wells, Turner Valley's daily oil production has been steadily rising since late in October and is now fluctuating between 28,000 and just over 30,000 bbls. per day.

Production since the middle of November is believed to exceed the previous all-time high of about 27,300 bbls. per day set during July, 1939, when the field was opened to its limit to meet heavy summer demands. While present production is setting a record, it is being secured without pulling the wells to the injurious extent as was the case in fall, 1939.

* * *

Record Year Expected

A survey of The Financial Post indicates that Turner Valley oil wells will average somewhat better than 27,000 bbls. daily for the full month of November, and that Alberta oil yield for the month will exceed 850,000 bbls. December production is expected to continue at close to the high rate now being set, and output for the final month of the year is expected to be at least 800,000 bbls.

The survey indicates that 1940 will establish a new record for Alberta, with a recovery for the year of around 8.6 million bbls., a million barrels ahead of the former record, set in 1939, of 7,594,411 bbls.

* * *

Ahead of Last Year

Alberta's oil production for October, as reported last week by F. K. Beach of the Conservation Board, totalled 799,025 bbls. As at Oct. 31, 1940, production stood very close to half a million barrels ahead of the first 10 months of 1939, with 6,893,248 bbls. accounted for as compared with 6,396,614 bbls. in the same period last year.

Heavy output during the final two months of the year, as contrasted with sharply restricted output in November and December of 1939, is expected to increase the 1940 lead by another half a million barrels, and bring the year's production up to 8.6 million bbls.

* * *

Operate at Maximum

Last year, it will be recalled, production was sharply curtailed to prairie market requirements during the winter season of low demand. November, 1939, production amounted to 712,179 bbls., while December yield was only 486,618 bbls. This winter the field will be operated at its efficient maximum to build up a heavy reserve of crude and refined products for the peak spring, summer and fall market. Next year, therefore, is expected to set a new record again for Alberta oilfields.

Turner Valley oilwells accounted for 767,080 bbls. of the October yield, turning out an average of 24,745 bbls. per day. Completion of nine wells in recent weeks—all of them good to excellent producers—has more than made up for the gradual decline in the older wells. November started off with a daily average exceeding 26,000 bbls. and, by the middle of the month, production was varying between 27,000 and 30,000 bbls. per day, fluctuating between these figures day by day with the intermittent operation of the new wells still "on test" or in the course of acidization.

* * *

Allowable Increased

Turner Valley's allowable production, which started November at 25,400 bbls. per day, was increased to 27,665 bbls. early this week by the assigning of November production allotments to two more of the nine recently completed producers.

North End test Foothills No. 5 was given an allotment of 900 bbls. per day, retroactive to Nov. 8, the date of completion. Central flank test Calmont Northwest No. 2 was assigned a quota of 700 bbls. per day, retroactive to Nov. 1, the date of completion. Previously far north end test Alberta Oil Incomes No. 2 had been given a daily quota for the month of 1,065 bbls. and Okalta Oils No. 9 had received a provisional allotment of 238 bbls.

Five new producers are still acidizing or "on test" and have yet to receive allowables. These include Allied Royalties No. 1, Arrow Royalties No. 2, Home Millarville No. 1, Twin Valley No. 1 and Northwest Hudson Bay No. 4. The first four mentioned wells are all better than average producers. The last-named well has a one-inch choke flow of 531 bbls. per day, and is expected to receive a quota of around 300 bbls. daily.

KERT MacDONALD

A special meeting of shareholders of Kert MacDonald Red Lake Gold Mines has been called for Dec. 6 to discuss the raising of $15,000 by sale of treasury shares or sale of part of the company's property. Satisfying creditors' claims and further financing will also be discussed.

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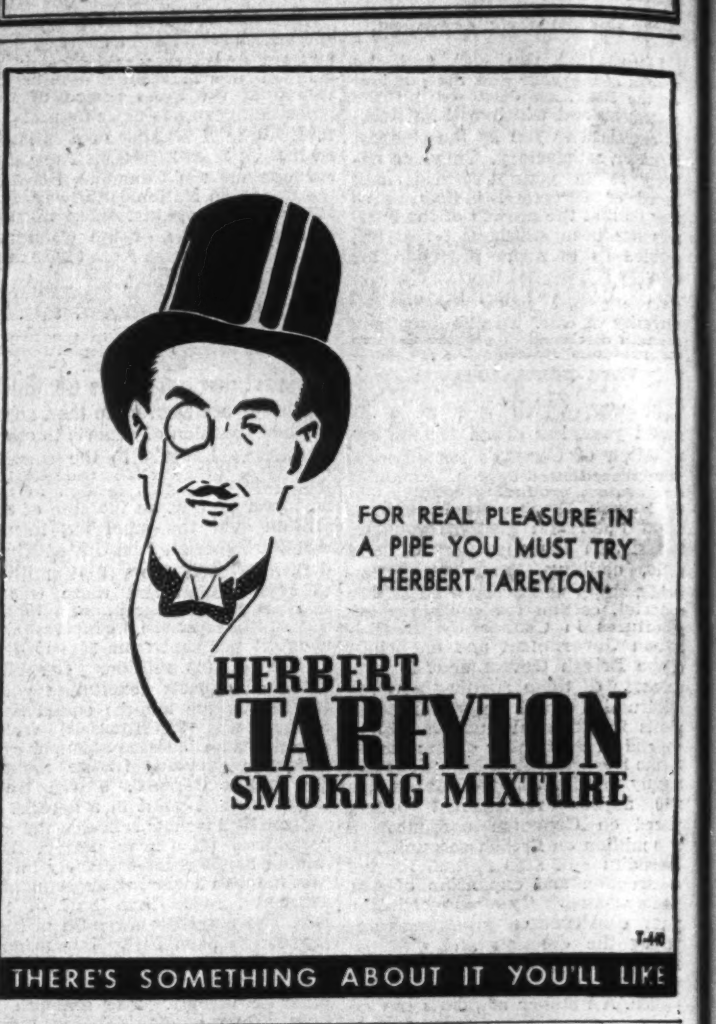
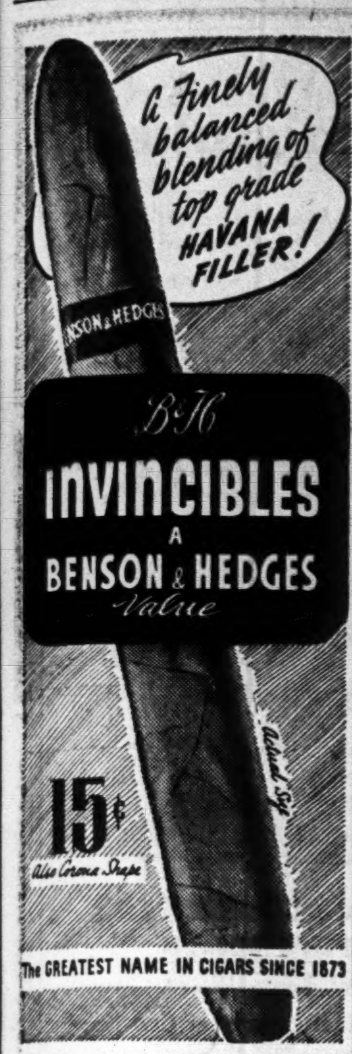


WHEN you wish to talk to a person, you can walk or travel miles to do it. But, with exceptions, you don't. When you wish to pay bills or make purchases, you can carry around with you a bundle of cash or a sack of coins. But, with exceptions, you don't. In the one case you use a telephone. In the other, you use a cheque on your bank. In either case you save time and effort by using a convenient modern device. And you use the one as naturally as the other. Canadians do make extensive use of the services of the chartered banks. Deposits in chartered banks at the time the last return was made to Parliament, totalled $2,530,000,000; cheques issued and debited to individual accounts in August, 1940, the most recent month for which returns are available, totalled $2,457,706,218. These figures show that most Canadian business is done by cheque and illustrate the extent to which the people make use of the banking system. The banks take pride in the modern services they provide for your convenience.

In war, as in peace, Canada's Chartered Banks maintain, uninterrupted, their useful services — safeguarding depositors' funds; facilitating the nation's business — looking forward to peace with freedom as the only sure basis of enduring prosperity.

THE CHARTERED BANKS OF CANADA



Stock Sale Laxness in Ontario Leads to Fresh Slam at Canada

Loose Control Over Share Pushing Brings New Blast of U. S. Publicity

The Ontario Securities Commission apparently did not go far enough last spring in moving to curb undesirable share pushing. It acted after a tide of both public and private protest had risen against high pressure telephone selling, especially into the United States from Toronto "boiler rooms."

Or perhaps it relaxed its vigilance. It weeded out one or two whose records and methods made it questionable, to say the least, whether they should be licensed as brokers and salesmen of securities.

But evidence has now come to light, and been circulated throughout the United States by a major national magazine, to suggest that its job of suppressing certain types of stock operations is far from complete.

The Financial Post warned some months ago that much remained to be done, that further and unrelaxed measures were required to protect investors and legitimate security dealers. The reputation of Canadian business and of regular channels for U. S. investment in Canadian enterprise, it was pointed out, were specially important under the emergency conditions of war.

Unless this was done, The Post feared, the standing of Canadian securities and dealers would be further smirched, and U.S. officials would take drastic action to steer Americans away from Canadian stocks and Canadian dealers. This would be directed at irregular and high pressure methods, but would reflect on all Canadian investment.

Fears Realized

These fears have since been realized. In May and again in July the powerful New York Times published shattering blasts against share pushers and what it called "mine stock fakes" in Canada. These were based largely on data assembled by officials of the U.S. Securities & Exchange Commission, and cited stocks and firms involved in the selling of stock in violation of U.S. regulations.

The hue and cry against pushing of Canadian mine stocks in the U. S. by telephone and other strong methods has now been swelled by a report in Time magazine. Latest statistics give Time an average weekly circulation of approximately 780,000.

Called S.E.C. Official

In its Nov. 18 issue, Time publishes a scathing report on Canadian stock-selling methods under the general heading of "Securities," with the subhead: "From the Boiler Room." It presents what purports to be a transcript of a telephone call to W. McNeill Kennedy of Chicago by a man identifying himself as "Mr. Marples of F. H. Marples & Co., specialists in mining and industrial securities, of Toronto, Canada."

Mr. Kennedy is the S.E.C. regional administrator in Chicago. Judging from the reported conversation, the man who called him from Toronto was not aware of the fact.

The Time report explains that "the name W. Kennedy had been on the sucker lists of security salesmen who, finding the going too tough in the U. S. under S.E.C. administration, had fled to Canada to sell their wallpaper mining stocks by long-distance telephone."

Revealing Talk

The more revealing sections of the telephone conversation, which Mr. Kennedy tells The Post is correctly reported by Time, follow:

Voice: "I just happened to call into my Chicago press wire and thought I would give you a call at the same time. There is a terrific amount of activity in Payco Gold Mines. The price is now 40½ . . . The stock will definitely touch around $1 on this move. Four years ago I suggested Waite Amulet. This mine is within striking distance of the Payco mine. It moved from 84c. to $3.05 in 11 weeks (actual time: 52 weeks) . . . I would like to make a commitment for you on that Payco. . . . "

Kennedy: "What are the chances of its going down?"

Voice: " . . . When I say a dollar, I speak of something that is more than conservative. . . . "

Kennedy: "What kind of management does the company have?"

Voice: "The greatest in the world! The management is recognized in this country and in yours as the greatest board on any mine. . . "

Kennedy: "Are you on the inside of this manipulation so that you will know when to sell?"

Voice: "I have been in on five different mines . . . I'll know definitely when I think it is the right time. If all I ever did was one trade with you, it would hardly pay me. I think my only bet is a continued clientele. . . . "

Kennedy: "How much would you recommend buying?"

Voice: "You suggest, Mr. Kennedy. I never look into a man's pocketbook."

Kennedy: "I naturally hesitate to do business with anyone that I have never seen. I have been getting your literature, but I don't know anything about you."

90% by Phone

Voice: "Ninety per cent of our business is done on the phone with people I have never seen, unless they take a trip through Canada."

Kennedy: "Are you a member of the exchange?"

Voice: "We are not members of anything; never have been. We are individual mining brokers."

Kennedy: "I would like to sleep on it for a day or two."

Voice: "I don't want you to sleep on it while it goes to 75 or 80c. a share. . . . "

Kennedy: "I want to think about it a little bit. I've always done business with local firms and I've got a prospectus or something."

Voice: "I don't want to force you into anything, and we don't use high-pressure attempts. We are not American brokers."

Kennedy: "I must admit I'm very much interested because it sounds very safe, but I wonder if I could buy it through my own broker?"

Voice: "It doesn't make any difference from whom you buy it. Your own broker cannot do any business with Marples. . . If you put your business through some other broker, it means that I step out of the picture. If that broker is in touch with the picture and knows the situation, he knows when to sell."

Manipulation

Kennedy: "But my broker wouldn't know anything about the manipulation."

Voice: "That's right. That's why you should do business with me. . . "

Kennedy: "I'll get in touch with you if I'm interested."

Voice: "I won't put any of my clients in above the 55 or 60c. figure. My judgment of today won't be my judgment of a week from today. What's the smallest commitment you ever made?"

Kennedy: "Well, I've usually been pretty careful; I'd say five or six thousand dollars. . . "

Voice: "Did you ever make a commitment as small as $200 or $400? . . . "

Kennedy: "Let me think about it. . . "

Voice: "A real small commitment isn't going to inconvenience you. Within the next two or three days there will be a difference of five or ten points."

Kennedy: "If I decide to buy, I'll call you. Good-by."

Voice: "Good-by."

The Time report adds: "The call had consumed some 28 minutes, cost Salesman Marples $30. That sum he could kiss good-by, for Sucker W. Kennedy was blond, young (31) W. McNeill Kennedy, Regional Administrator of SEC in Chicago. Although SEC had no power to act against a Canadian firm, Kennedy could (and last week did) inform the Ontario Securities Commissioner, who has a handy law for cracking down on boiler rooms in his province."

Commission Investigating

R. B. Whitehead, Ontario Securities Commissioner, questioned on the matter, said that the Commission was still working on the case. It was investigating, he said, the alleged use of high-pressure tactics and stock manipulation implied in the reported conversation.

Pending completion of his probe into the case and its various ramifications, Mr. Whitehead would give no indication of any action that the Commission might take.

Toronto Stock Exchange officials also withheld comment, though privately they are known to deplore the appearance of the Time report. As the Marples firm is not a member of the Exchange and Payco is not a listed stock, there is little or nothing the Exchange can do officially.

Marples Viewpoint

F. H. Marples, head of the firm cited in the Time report, was somewhat less guarded than the Exchange officials and Mr. Whitehead. He did tell The Post that he thought the best way of dealing with the case was to "just let the whole matter drop," and that he did not have anything to say officially at this time.

However, he proved willing to discuss some of the more significant aspects of the Time report.

He was quick to deny that the phone call cost $30, as estimated by Time. It cost only $16.40, Mr. Marples said, adding that he had the ticket to prove it. He also denied that he personally had made the call, saying that it had been placed by one of two salesmen whom he had working with Payco stock.

He declined to name the salesman involved, but in response to a question said that it was not Arthur C. Gardiner, formerly of Boston and shown in available records as employed by Mr. Marples. According to reliable information, the call was placed by another salesman, also an American, employed by the firm at the time.

Associated in the firm with Mr. Marples as partner, is Benjamin Starr, native of Rochester, N.Y.

The inferred objection of the S.E.C. official at Chicago to the phone call is threefold: To the high-pressure tactics used; to the implied control and manipulation of the stock; and to the offering of stock in the U. S. illegally, in that neither the stock nor the selling agent is registered under S.E.C. regulations. S.E.C. officials insist this sort of across-the-border traffic can be stopped by Canadian co-operation.

Sees No Objection

Mr. Marples concedes no basis to these objections. He frankly admitted that Payco stock is not qualified for sale in the U. S. by being registered and saw no reason why it should be. The actual sales, he argues, are consummated not in the U. S. (as contended by the S.E.C.) but in Toronto on receipt of cheques or money orders from U. S. customers.

The Marples firm had no salesmen in the U. S., he said. Mr. Marples says that all of the Payco sales he has been making have been carried out by telephone and all in the United States. No stock has been sold by him in Canada, he told The Post, by telephone, over the counter, or by direct sales canvass.

This, of course, narrows the basis for any action which the Securities Commission might take. As to the use of telephone selling, the Commission regulations prohibit calling a man at his home unless he is a friend or regular client. But they permit soliciting sales by telephone to a man's office or place of business. And both Mr. Marples and the Time report agree that the call in question was to Mr. Kennedy's Chicago office.

Salesman Got Wise

Mr. Marples was insistent that the phone call could not be classed as high pressure, and affirmed that there was nothing wrong with either the method used or with Payco.

In support of this, he noted that when Mr. Kennedy had said he usually bought stock in $5,000 or $6,000 lots, the salesman had asked him if he would buy as little as $200 or $400. But later Mr. Marples confided that when Mr. Kennedy mentioned a commitment of $5,000 or $6,000, "the salesman knew the man was no good."

"Do you mean that he knew his prospect was leading him on?" enquired The Post. "Yes," replied Mr. Marples.

"When I make a sale and it goes wrong, I fix it up," Mr. Marples noted, "but I didn't make the sale."

Queried about the several references to "manipulation" in the phone talk as reported, Mr. Marples said there was no manipulating being done. The reference was intended, he said at first, to indicate that his firm was the only one handling the stock and therefore was in a position to know of any movements of the stock.

Later he corrected this to say that other brokers had handled Payco stock. Of the total of 1,750,000 shares optioned in April, he revealed, he had taken over 100,000 shares to sell, most of which had been disposed of.

Mr. Marples made the point that the phone call to Mr. Kennedy was not a blind call, as Mr. Kennedy had written and asked for information about Payco and therefore "qualified for a call." For three months prior to Mr. Kennedy's request for information, he had been receiving literature from the Marples firm.

"You Say a Lot of Things"

As to the salesman's prediction that Payco would move up to at least $1 a share, Mr. Marples said that the salesman had "probably only suggested it could go to $1, or said he expected it would." There was no recent development at the mine to suggest that an upturn of this extent was imminent, he admitted, but he thought it was only natural to suggest that it could in order to make a sale.

"I've tried to hold them down and keep them careful, but you say a lot of things to sell stock. You know that," Mr. Marples remarked.

Discussing the salesman's allusion to Payco being "within striking distance" of Waite-Amulet, Mr. Marples said that the Payco property was immediately adjoining Waite-Amulet. According to data given in Payco company literature, the Payco mine is in the same general area as Waite in Duprat township in Quebec, but Payco's eastern boundary is five miles west of the Waite property.

Payco Property

About the Payco property, The Financial Post Survey of Mines reports that it holds a gold property of 12 claims, covering approximately 480 acres, in the Noranda district of Quebec. The company acquired the assets of Flavrian Gold Mines Ltd., in March, 1940, on the basis of one share for each six of Flavrian. Payco was incorporated in 1938.

A shaft is sunk to 320 feet on No. 1 vein, and four other vein systems are opened on surface. Trucking of ore to a nearby mill was slated to commence in the fall of 1940, but The Post is informed that shipments have not yet begun. Of an authorized capitalization of 3,000,000 shares of $1 par value, a total of 1,150,007 is reported as issued, with approximately 800,000 pooled.

Officers of Payco Gold Mines are A. H. Honsberger, president; W. E. Smith, vice-president; and V. G. Aitken, secretary-treasurer.

No recent information has been reported that would indicate any radical change in the company's position or a sudden upsurge in quotations on its stock. It is an unlisted mining stock.

Option Dropped

One fact in the background history of Payco does not appear to have been mentioned in the Marples-Kennedy phone call. Diamond drilling was done on the property by Howey Gold Mines in 1939 under a working option, but this option was dropped after some drilling had been done.

In an official bulletin dated April 13, 1940, the Ontario Securities Commission reported that Payco Gold Mines on April 9 optioned to J. T. French 1,750,000 shares on a basis of: 400,000 shares at 5 cents per share, 300,000 shares at 10 cents, 300,000 shares at 15 cents, with balance at prices between 25 to 50 cents a share; payable $5,000 within 60 days, thereafter $3,000 every 60 days until April, 1941, and thereafter $5,000 per month until Dec., 1942, when balance becomes due.

The Post is informed that in this transaction J. T. French acted as agent for the underwriting firm from which the block of 100,000 shares was obtained by the Marples firm for sale. Mr. Marples declined to say at what price he had taken over the stock, saying that information on this transaction was registered with the Securities Commission.

It would seem, however, that of the 40½ cents at which Mr. Marples' salesman was offering the stock to clients, not more than five cents was reaching the mine's treasury.

The schedule of payments and other terms of the April 9 option indicate that the stock thus far taken down by the underwriter is from the initial block to be paid for at the rate of 5 cents a share. Mr. Marples says that the stock he has been offering was obtained through the option and this is confirmed by a spokesman for the underwriting firm.

On enquiry at the Securities Commission office, The Post was told that Mr. Marples had reported he was participating in Payco financing and had taken over 100,000 shares; but he did not report at what price he had taken them over.

Salesman's Record

About the past record and connections of Benjamin Starr, the Marples partner, little information is available. He is identified by Better Business Bureau officials as a native of Rochester who came to Canada in 1934. He is said to have changed his name from Benjamin Smith to Benjamin Starr by deed poll in the U. S. about 10 years ago.

About his co-worker, Arthur C. Gardiner, information obtained by the Toronto Better Business Bureau indicates that in the past he had some difficulties with U. S. authorities in connection with stock operations.

The Bureau is advised that Gardiner was indicted Feb. 8, 1935, by the federal grand jury at Boston on a mail fraud charge, in connection with operations of the Boston Financial News and Anglin Investment Service. This charge was not prosecuted in court, but was shelved by a nolle prosse procedure in April, 1938.

On Mar. 25, 1935, the Bureau is informed, Gardiner was again indicted on a mail fraud charge, this time by the federal grand jury in New York in connection with operations of Atlas Tack Corp. This charge was dismissed Sept. 11, 1935. On May 2, 1940, the Bureau is told, a group of investors in Atlas Tack filed suit in federal court at Boston, claiming loss of money as a result of a conspiracy on the part of William Jarvis and others, including Gardiner. This action is said to have been dismissed for lack of evidence.

Gardiner is reported to have sold stock by telephone from Montreal at one time.

Policy of Commission

The Ontario Securities Commission policy in regard to licensing of brokers and stock salesmen was explained to The Financial Post last March by Securities Commissioner Whitehead, who was reported in the issue of March 23 as saying:

"Each applicant is thoroughly investigated . . . The fundamental point to be considered is: In view of the applicant's history and background, is it the reasonable expectation that this man will deal honestly with the public?"

Mr. Whitehead was asked as to policy with regard to applicants coming to Canada from other countries. He replied:

"Their previous record is examined minutely . . . Difficulties with the authorities in other countries is not an absolute bar to securing a license here, but they certainly make it much more difficult."

Mr. Marples holds a broker's license and Mr. Gardiner a salesman's license from the Commission. Mr. Marples is a former Winnipeg food retailer.

Previous Trouble

This is not the first time that the methods of the Marples firm have been brought to the attention of the Ontario Securities Commission.

The Post is informed by the Toronto Better Business Bureau that in August it received a complaint from a Detroit man who had been induced to purchase stock from the Marples firm. In June, 1940, the Bureau was told, this man had been telephoned by a man representing himself to be Mr. Marples of F. H. Marples & Co., and seeking to sell stock in Delpine Gold Mines.

It was represented to him, he said, that members of the Fisher (Bodies) family of Detroit were planning to take up an option on a controlling block of Delpine stock at 50 cents a share. The Detroit man was offered stock at 25 cents and bought some.

In later calls, he told the Bureau, he was informed the Fisher offer was rejected because of good reports from the mine, but that preparations were being made to list the stock on the Exchange at 50 cents. Subsequently he was told that listing had been approved and the stock would appear on the board at once. He bought more stock but the listing was not carried out.

This information was laid before an official of the Ontario Securities Commission, the Bureau reports, as a result of which restitution of $260 was made to the Detroit investor.

Rapped by S. E. C. Officer

Also, this is the second time within a few months that Mr. Marples has been unfavorably cited in reports based on data from S.E.C. sources and blasting, publicly against some Canadian stock operators. In The New York Times in July, the Marples firm was listed among Toronto stock dealers and underwriters named as selling stock in the U. S. in violation of S.E.C. regulations.

The Times interview with an S.E.C. officer, following up the original Times exposé in May, quoted him as saying:

"Investors should take warning. Before putting any money into a Canadian proposition, make sure that it has an effective registration with the S.E.C. or has been exempted. If it hasn't, it is probably dishonest and certainly it is illegal to try to sell it here."

July also brought trouble at home for Mr. Marples. The Toronto Better Business Bureau issued a report on the campaign conducted by Mr. Marples to raise funds for the Sportsmen's Patriotic Association. This showed that nearly 60% of the receipts were eaten up by expenses of collection and operation, including 25% for postage and another 20% for salaries for Mr. Marples and the campaign staff. Campaign expenses included $620.65 for "rent, light and telephone." The campaign headquarters were established in the offices of F. H. Marples & Co.

Action Urged

The situation referred to by The New York Times has been repeatedly brought to public and official attention by The Financial Post.

The Financial Post of April 20, 1940, said:

"The cleaning up that now has to be done includes . . . assuming some effective control to prevent continuation of the old boiler-room method of long-distance telephone selling which is being employed on a big scale by several operators."

In the issue of April 27, 1940, The Post said:

"There still seems a lot to be done . . . The reputation of Canadian business is one of this country's most important resources in this time of national emergency. United States officials are known to be contemplating drastic action to warn their citizens against certain types of Canadian stock operators."

Plague Spot Exposed

Referring to the blast in The New York Times of May 12 against "mine stock fakes" and stock operators in Canada, The Post said on May 18:

"The exposé of a plague spot in our financial community is regrettable. What is much more regrettable is that such an exposé was possible. Ontario was 'asking for it.' Surely the need is now obvious for some honest-to-goodness house cleaning; for a higher standard of experience and character for individuals seeking to act as agents with other people's savings."

It may be argued that the Marples phone call was just an isolated case and does not necessarily mean the general use of such tactics by the Marples firm, or by other concerns to any extent. But signs are not lacking that such methods are being pursued by others, not only to push sales in the United States but in Canada as well. Only recently, for instance, the Toronto Better Business Bureau received complaints from Vancouver that investors had received high-pressure, teaser telegrams from Toronto designed to bring about a flurry of buying and push up the price of a certain mine stock.

Certainly there appears to be sufficient evidence at hand to warrant prompt and decisive action by the Securities Commission to finish the job it ostensibly started last spring. Responsible elements in the financial community would like to see an end to U. S. complaints of lack of co-operation from Canadian authorities, an end to periodic bursts of adverse reports in U. S. publications.

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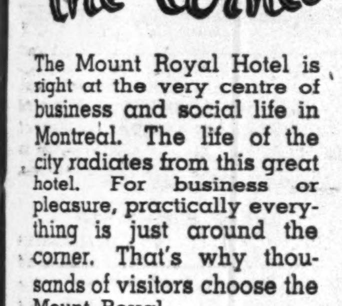

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"We have been confirmed in our feeling that United States Government obligations remain the best medium for the greater part of our American investments."

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"Face . . . difficulties . . . with . . . confidence."

Excerpts from the address of Sir Courtauld Thomson, K.B.E., C.B., Chairman at the annual general meeting London, April 17, 1940.

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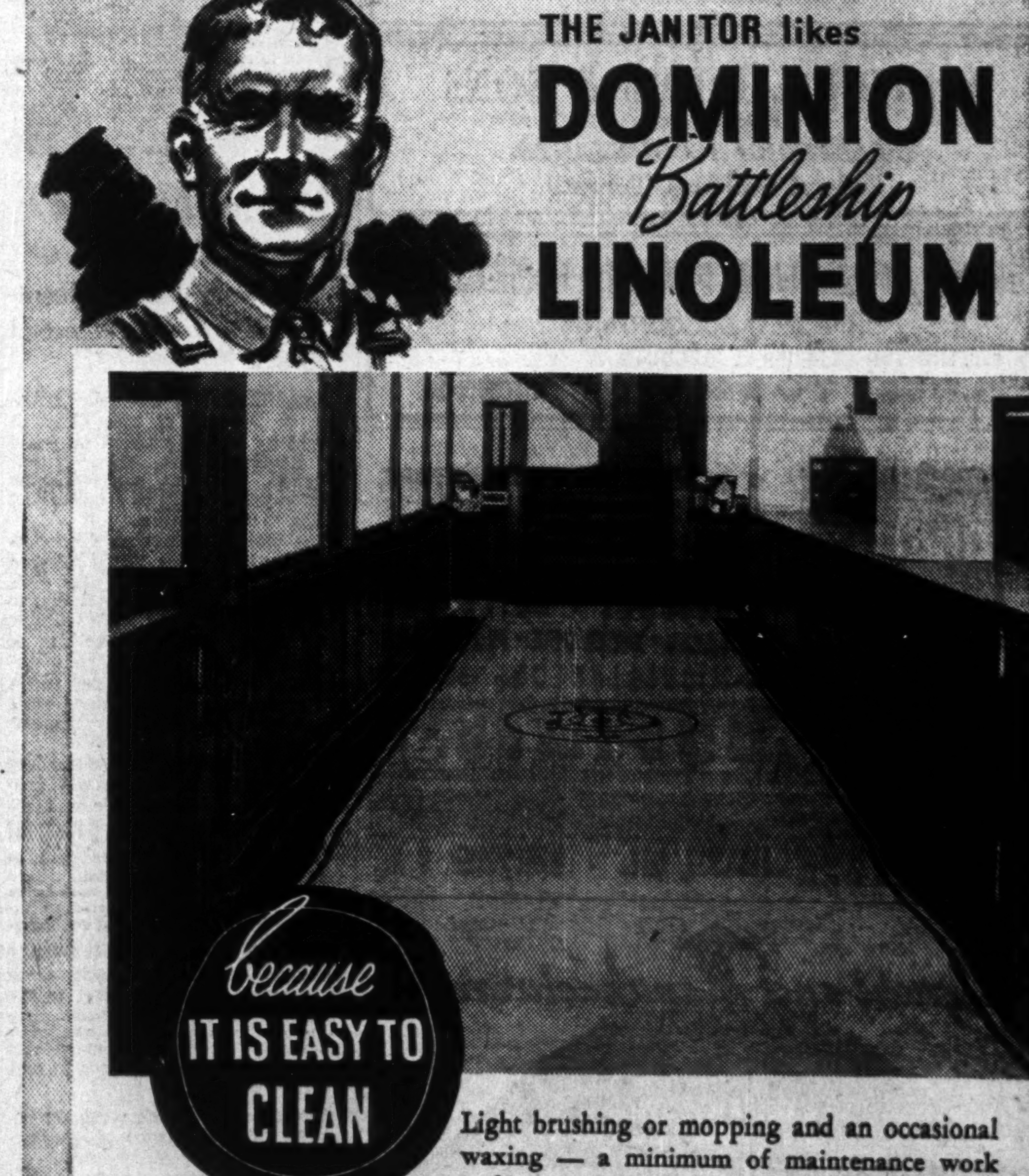

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Loans Reflect War Effort

Bank of Montreal Shows Liquid Assets 75% of Public Liabilities

The effect of war on Canadian business is reflected in the annual statement of the Bank of Montreal for the year ended Oct. 31, 1940, which shows an increase in current loans, a decline in deposits, higher taxation and profits about steady with the previous year.

Assets at $961.3 millions are down about $64 millions from the previous year when owing to the first war financing of the Dominion Government through a loan from the chartered banks, assets rose to the highest level on record. Compared with 1938, a more normal year in that regard, a gain of $107 millions is shown.

Earnings Little Changed

Net earnings after provision for bad and doubtful debts and after deducting $1,927,824 for Dominion and provincial taxes (as compared with $1,198,413 in the previous year) were about $26,000 lower at $3,435,941.

The increase in taxation was $729,411 or about 61%. Had taxes remained at the level of the previous year, a substantial increase in net earnings would have been shown. After paying the usual dividends and appropriating $500,000 for bank premises, $55,941 was added to the balance of profit and loss bringing the total to $1.3 millions.

Earnings per share, after deducting $500,000 written off premises amounted to $8.15 per share compared with $8.23 the year before. If the earnings are taken before this write-off they are $9.54 against $9.62 a year ago.

Profit and Loss Account
Years Ended Oct. 31

	1940 $	1939 $
Net profit*	3,435,941	3,462,446
Dividends	2,880,000	2,880,000
W/o premises	500,000	500,000
Balance	55,941	82,446
Bal. from 1939	1,265,700	1,183,254
Total bal. forward	1,321,642	1,265,700
Earned per share‡	8.15	8.23

*After providing for bad and doubtful debts and deducting $1,927,824 for Dominion and provincial taxes compared with $1,198,413 last year.
‡After deducting amount written off premises.

Current loans at $233.5 millions were over $13 millions higher, the result of increased business activity, while loans to provincial and municipal governments were a little lower. Investments are down somewhat at $462 millions due to reduction in the holdings of government and other bonds and debentures.

Call loans both in Canada and outside were slightly higher.

Quickly available assets are lower at $663.1 millions but are still at the high ratio of 75% of all liabilities to the public. Actual cash in the bank's own vaults and on deposit with the Bank of Canada at $83 millions is 9.39% of total liabilities to the public.

A reduction in deposits is due to subscriptions of the bank's depositors to the first and second war loans, and to the withdrawal of special deposits in connection with the Government's war financing a year ago.

Important items in the balance sheet follow:

Balance Sheet
Years Ended Oct. 31

Assets	1940 $	1939 $
Cash, cheques, etc.	176,671,128	201,243,716
Investments	462,023,222	517,641,336
Acceptances	332,264	2,768
Call loans, Can.	4,606,348	4,573,822
Call loans, ex Can.	19,552,470	19,142,173
Total quick assets	663,185,436	742,603,815
Prov. & mun. loans	35,313,063	36,712,818
Other loans	233,560,368	220,548,911
Bank premises	13,900,000	13,900,000
Real est. & mort.	974,202	1,073,717
Letters of credit	11,677,303	7,914,256
Other assets	2,724,581	2,754,796
Total assets	961,334,955	1,025,508,367
Liabilities		
Deposits	848,865,349	914,909,050
Note circulation	19,816,520	21,767,292
Letters of cr., etc.	11,677,303	8,086,938
Other liabs. to pub.	3,892,125	3,739,690
Total liabs. to pub.	884,251,299	948,502,921
Capital res., etc.	77,083,656	77,005,445
Total liabilities	961,334,955	1,025,508,367

Traders Finance Issues Bonds

Proceeds For Redeeming Series "B" Preferred Stock

Simplification of the capital structure of Traders Finance Corp. is sought by a readjustment proposed by directors. Rt. Hon. Arthur Meighen, president, expresses the opinion there would be a substantial saving to the company.

The plan is to redeem 6,402 outstanding 7% series "B" preferred stock at $110 per share, plus dividends accrued to Jan. 1, next, and to cancel 2,001 unissued shares of the same stock. Special meetings of holders of class "A" and class "B" common and series "A" and series "B" preferred stock have been called for Toronto on Dec. 12 to consider the proposal.

The redemption of outstanding stock would be carried out with proceeds from a $700,000 sale of 3½% serial debentures, maturing over the next seven years at the rate of $100,000 annually. The issue would be secured by a pledge of the shares in the capital stock of Canadian Insurance Shares Ltd. owned by Traders Finance. Also by a first floating charge on the assets and undertaking of Traders Finance, subject to the right of the company to give security to its bankers under the Bank Act or otherwise. The president reports this financing has been obtained at "attractive" rates.

Capital setup of the company before and after the proposed readjustment follows:

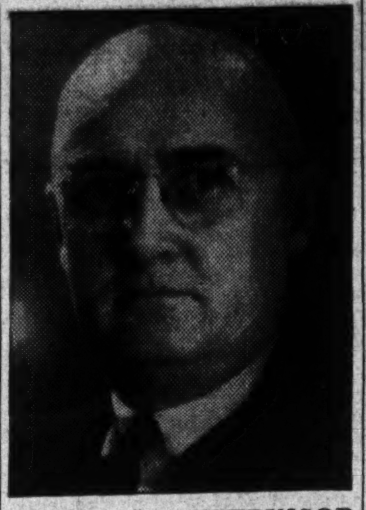
Outstanding Capital

	After Proposed Plan $	Dec. 31 1939 $
3½% debentures	700,000	......
Series A pref.	2,453,400	2,453,400
Series B pref.	......	640,200
Class A com.	27,543	27,543
Class B com.	30,000	30,000

Melchers Distilleries Halves Dividend Rate

From Our Own Correspondent

MONTREAL. — Melcher's Distilleries Ltd. has declared a dividend of 30 cents a share on the preferred stock, for the six months ended June 30, 1940, payable Dec. 20 to shareholders of record Dec. 4. This is the first distribution this year, and compares with 60 cents a share paid in 1939.



NEW ASST. SUPERVISOR

Frederick G. Burr, whose appointment as assistant supervisor of western branches of the Bank of Nova Scotia, with office at Winnipeg, is announced. Mr. Burr entered banking in 1904 and after serving at various branches enlisted in 1915. He has been manager of the Calgary branch since 1928.

Ford Motors Aid Worker Soldiers

Ford Motor Co. of Canada Ltd. announces a plan whereby gratuities will be paid to employees who enlist in the British armed forces and who are eligible under a plan put into effect by the company. The plan is retroactive, to benefit men already enlisted.

Men with dependents will be eligible to receive a percentage of their civilian remuneration based on the rate in effect on the last day of their employment with the company. The gratuities will be paid monthly during the life of the plan. Men without dependents will be eligible to receive a single lump sum payment.

Gratuities will also be paid to employees who enlisted prior to the inauguration of the plan. As the plan is retroactive to the time of their enlistment, these men will receive the accrued gratuities.

Similar gratuity plans for enlisted employees, modified to suit local conditions, are also being put into effect by the overseas Ford companies in the British Empire.

Pickle New Ore Lengthens Out

Plans Visualize New Shaft in Winoga Sector For Exploration

Drifting in the new north ore zone at the 750-ft. horizon of Pickle Crow Gold Mines has now opened up 300 ft. of continuous ore averaging a grade of $20 per ton across a width of 62 inches, the face continuing in ore, officials inform The Financial Post.

This ore is in addition to two shoots previously opened up showing 100 ft. averaging $6.65 over 10.3 ft. and a 30-ft. section running $6.60 per ton across 6.7 ft. from car samples.

In Virgin Ground

Drifting is now continuing to the east in ore in what is virgin ground. When the Winoga sector of the property is reached (which is higher ground), it is planned to raise a shaft to service exploration of this area. Later the Albany River workings will be linked up with the new shaft. Workings will then extend over a length of 7,000 ft., or considerably over a mile in length.

Crosscutting is now proceeding at the 125-ft. level of Albany River toward the new vein discovered in surface exploration. There is about 300 ft. of advance to be made before the objective in this sector is reached. Work is proceeding to the west at the 625-ft. horizon and some work is also under way on the 500 and 375-ft. levels.

Down 2,200 Ft.

At the Pickle Crow mine proper, the shaft has now been completed to a depth of 2,200 ft. from the previous depth of 1,950 ft. Progress is being made at the rate of 4½ ft. a day. Five new levels were opened up last year and it is anticipated that the tonnage of ore in reserve at the end of this year will not show a great change from the end of 1939 although grade may be somewhat lower.

The new development programme calls for levels to be established at 2,500 and 3,000 ft. depth with intermediate levels to be opened up by means of raises from these two levels. This method of opening up new levels will save the expense of long crosscuts to the ore zone involved in the more usual method of exploration.

Company Reports

Brantford Cordage

Net profit of $227,343 for the Brantford Cordage Co. for year ended Aug. 31, last, was substantially ahead of the previous two years, although below the 1936-37 figure of $268,117. Earnings were equal to $6.16 on the first preferred stock, compared with 23 cents in 1938-39, after providing for substantially increased taxes.

W. M. Messecar, president and general manager, and W. C. Wells, secretary-treasurer, report that, in view of difficulties involved in determining what may be the liability for "excess" profits taxes, provision has been made for what is believed to be any possible liability, and in excess of what is believed to be the probable liability.

Income and Surplus Account
Years Ended Aug. 31

	1940 $	1939 $
Net earnings	389,376	19,427
Less: Depreciation	10,542	10,537
Prov. for taxes	151,491	......
Net profit	227,343	8,890
Less: 1st pref. divd.	49,172	49,936
Surplus for year	178,171	*41,046
Add: Prev. surplus	698,069	737,465
Disct. shs. red.	6,459	1,650
Surplus forward	882,698	698,069
*Deficit.		
Earnings per Share:		
1st preferred	$6.16	$0.23
Paid	1.30	1.30
2nd preferred	7.42	d1.71
No dividends paid.		
Common	1.70	d1.04
No dividends paid.		
Shares Outstanding:		
1st preferred	36,877	38,209
2nd preferred	24,000	24,000
Common	80,000	80,000
Working Capital		
Current assets	1,908,677	1,601,655
Current liabilities	175,275	24,866
Working capital	1,733,402	1,576,789
Balance Sheet Changes		
Cash	391,935	572,061
Inventories	1,157,566	669,483
Prov. for taxes	160,000	8,914

Sherbrooke Trust

A tendency toward lower interest rates and substantial increases in taxes is reported by Sherbrooke Trust Co., Sherbrooke, Que., for year ended Sept. 30, last. Net profit of $29,859 is down $6,185 from the previous year.

Notwithstanding substantial contraction in savings deposits and debentures—brought about in part by war financing of the Dominion Government—liquid position was well maintained, according to Chenier Picard, president. Percentage of liquid assets to demand liabilities is 60%.

Mr. Picard reports new problems brought by the war in the investment and reinvestment of trust and estate funds, making it more difficult to maintain stabilized income for beneficiaries.

Earnings Record

Year	Paid-up Capital & Reserves $	Net Profit* $	Div. Rate $	Rate Earned per sh. $
1936	493,500	28,851	6	9.61
1937	508,500	34,970	6	11.65
1938	524,500	36,024	6	12.01
1939	538,000	35,044	6	11.68
1940	539,000	29,859	6	9.95

*After taxes and depreciation on premises and furniture.

Creditors' Position

	1940 $	1939 $
Debentures	289,969	319,705
Deposits	1,448,736	1,509,640
	1,758,705	1,829,345
Secured by:		
Liquid assets	871,310	903,909
Mortgages	1,308,225	1,352,591
Other net assets	160,701	166,123
	2,340,236	2,422,623
Estates, etc.	4,104,154	4,063,267

Sherwin-Williams

From Our Own Correspondent

MONTREAL. — Sharp expansion in earnings and increased share profits is shown in the consolidated financial statement of Sherwin-Williams Co. of Canada for the year ended Aug. 31, 1940. Net revenue from all sources totalled $965,292. After payment of about one third of this sum in taxes, net profit of $538,921 was equivalent to $15.54 a share on the preferred stock. The year before the company had a gross revenue of $717,353, and a net profit of $510,182, or $14.75 a share on the preferred.

Total sales showed an increase last year of 16.2% and, according to George A. Martin, president, prospects for maintaining a satisfactory sales volume are encouraging.

Stronger Balance Sheet

The balance sheet reflects a number of changes and a stronger position. Net working capital at over $4 millions shows an increase of $309,000 over that reported at the close of the previous year. At the end of the year dividends on the preferred stock amounted to $14 a share, of which $3.50 has since been paid.

Among the assets, investments in and advances to partly-owned subsidiary companies show a slight advance at $847,383. Bigger changes occur among the current assets. Inventories now stand at $3.1 millions, as against $2.2 millions a year ago. Cash on hand declined during the year from $477,148 to $302,339. The 1939 balance sheet carried marketable securities at a cost of $274,267, and a depreciated book value of $135,401. This item was liquidated during the year.

Comparative figures on the consolidated profit and loss account follow:

Consol. Income and Surplus Account
Years Ended Aug. 31

	1940 $	1939 $
Oper. revenue*	887,225	667,263
Other income	78,067	50,090
Total income	965,292	717,353
Less: Deprec.	80,198	77,591
Inc. & profits tax	322,750	105,000
Employee allow.	23,423	24,580
Net profit	538,921	510,182
Less: Pfd. divds.	363,300	242,200
Surplus	175,621	267,982
Previous surplus	4,305,053	4,020,449
Less: Adjusts.	2,690	16,622
Surplus forward	4,477,984	4,305,053
After payment of:*		
Legal fees	86,194	2,112
Directors' fees		
Exec. remun.		78,880
Working Capital		
Current assets	5,137,810	4,359,049
Current liabilities	1,078,352	610,599
Working capital	4,059,458	3,748,450

Guelph Carpet

Net profit of $86,750 for the Guelph Carpet & Worsted Spinning Mills Ltd. in year ended Sept. 30, last, is down $17,307 from the previous year after taxes. Provision for taxes of $155,000 in the latest fiscal year is 6½ times as large as in the previous 12 months.

Income and Surplus Account
Years Ended Sept. 30

	1940 $	1939 $
Net earns. from oper.	267,158	169,486
Less: Depreciation	32,968	44,084
Net oper. profit	234,189	125,402
Add: Other income	7,561	1,655
Less: Taxes	155,000	23,000
Net profit	86,750	104,057
Less: Pref. dividends	32,500	32,500
Common divds.	35,000	35,000
Surplus for year	19,250	36,557
Add: Prev. surplus	123,913	87,356
Surplus forward	143,163	123,913
Earnings per Share:		
Preferred	17.35	20.81
Paid	6.50	6.50
Common	1.55	2.04
Paid	1.00	1.00
Working Capital		
Current assets	1,109,856	799,124
Current liabilities	358,257	62,499
Working capital	751,599	736,625
Balance Sheet Changes		
Dom. of Can. bonds	49,375	......
Inventories	688,916	419,959
Bank loans	169,573	......
Res. for taxes	152,689	29,395

Presdor Negotiates For Further Work

Financing negotiations are now being carried on by Presdor Porcupine Gold Mines which officials hope will lead to a resumption of work on the property.

If the negotiations now under way are successfully consummated, a further programme of surface drilling will be carried out. Considerable drilling has already been done on the company's property adjoining Preston East Dome Mines.

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TORONTO MONTREAL
Western Divisions — Langley Electric Manufacturing Co. Ltd., Winnipeg
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Aluminium Ltd. Pays $8 for Year

From Our Own Correspondent

MONTREAL. — Aluminium Ltd. has declared a dividend of $2 a share in Canadian funds on the common stock, payable Dec. 20 to holders of record Nov. 30. Where a shareholder is resident of the United States, arrangements have been made for payment in American funds at the official rate of discount.

Previously this year the company declared four dividends of $1.50 each on the common stock, payable March 27, June 1, Sept. 5 and Dec. 5. The latest declaration will bring the total this year to $8 a share.

Last year the company initiated dividends with a payment of 25 cents a share in cash and 10% stock on April 28, 1939, and later paid a cash dividend of $4 a share on Dec. 15, 1939.

THE CANADIAN BANK OF COMMERCE
HEAD OFFICE - TORONTO

PROFIT AND LOSS ACCOUNT
For the Year Ending 31st October, 1940

Balance brought forward from last year	$ 782,801.55	Dividends at eight per cent. per annum	$2,400,000.00
Net profit after deducting Dominion and Provincial taxes of $1,525,018.58 and making full provision for bad and doubtful debts	3,006,035.04	Transferred to Pension Fund	253,831.98
		Written off Bank Premises	350,000.00
			$3,003,831.98
		Balance carried forward	785,004.61
	$3,788,836.59		$3,788,836.59

STATEMENT AS AT 31st OCTOBER, 1940

ASSETS

Cash on hand and due from Banks and Bankers	$ 98,174,634.12
Notes of and Cheques on other Banks	20,947,205.12
Government and other Public Securities (Not exceeding market value)	238,878,844.46
Other Bonds and Stocks	19,359,239.73
Call and Short Loans (Security held of sufficient marketable value to cover)	17,726,015.27
Deposit in Circulation Fund, held by Dominion Government	847,000.00
Total Quick Assets (60.63 per cent of Total Liabilities to the Public)	$395,932,938.70
Loans and Discounts (After full provision for bad and doubtful debts)	266,018,641.59
Acceptances and Letters of Credit for Customers (See below)	20,842,612.93
Bank Premises	14,203,007.83
Other Assets	7,483,252.27
Total Assets	$704,480,453.32

LIABILITIES

Notes in Circulation	$ 17,160,798.69
Deposits	615,074,119.77
Acceptances and Letters of Credit (See above)	20,842,612.93
Total Liabilities to the Public	$653,077,531.39
Capital Paid Up	30,000,000.00
Reserve Fund	20,000,000.00
Dividends declared and unpaid	617,917.32
Balance of Profit as per Profit and Loss Account	785,004.61
Total Liabilities	$704,480,453.32

S. H. LOGAN, *President* A. E. ARSCOTT, *General Manager*